

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Ptas 50; SWEDEN Kr 2.25; SWITZERLAND Fr 2.0; EIRE 20p

Most Cabinet posts expected to be announced today

Thatcher majority of 43

BY RICHARD EVANS, LOBBY EDITOR

BRITAIN was launched into a new political era yesterday when Mrs. Margaret Thatcher began to construct a Conservative administration with an overall Commons majority large enough to govern well into the 1980s.

The remaining general election results confirmed the earlier trend of massive Conservative successes in the Midlands and South, but a much firmer Labour resistance in the North.

The Liberals had very mixed fortunes, and suffered severe setbacks, with the loss of Mr. John Pardoe, deputy leader in North Cornwall, and Mr. Emlyn Hooson in Montgomery, a seat held continuously by the party since 1885.

Much greater defeats were suffered by the Scottish National Party, which ended up with a bridgehead of only two seats compared with 11 in the last Parliament.

His view was that the campaign had been won by Labour, but the election battle lost because people had voted against the events of last winter.



HOME: Mrs. Thatcher and her husband Dennis outside No. 10

When the final election results were declared last night after a day of high drama, the Tories had secured a comfortable overall Commons majority of 43, with 339 seats to Labour's 268.

Her substantial 9,000 majority at Hertford and Stevenage was swamped by a swing to the Tories of over 8 per cent.

At the end of the day the Liberals retained 11 seats, compared with 14 last time, and seemed as far away as ever from their goal of proportional representation.

By Mr. Len Murray, TUC general secretary, who will be leading the unions in the talks the Conservatives have promised, took a neutral stance.

He stressed that the new Government was entitled to a "fair show", and promised that there would be no "factious" opposition from Labour in Parliament.

He stressed that the new Government was entitled to a "fair show", and promised that there would be no "factious" opposition from Labour in Parliament.

He stressed that the new Government was entitled to a "fair show", and promised that there would be no "factious" opposition from Labour in Parliament.

He stressed that the new Government was entitled to a "fair show", and promised that there would be no "factious" opposition from Labour in Parliament.

Analysis of results, reactions and prospects for the new Government Pages 4, 5, 18 and 19

Local polls

As counting in the local authority elections in England and Wales continues it seems likely that—despite considerable gains from the Conservatives—Labour may just fall short of regaining control of the powerful Association of Metropolitan Authorities.

Local polls

As counting in the local authority elections in England and Wales continues it seems likely that—despite considerable gains from the Conservatives—Labour may just fall short of regaining control of the powerful Association of Metropolitan Authorities.

Local polls

As counting in the local authority elections in England and Wales continues it seems likely that—despite considerable gains from the Conservatives—Labour may just fall short of regaining control of the powerful Association of Metropolitan Authorities.

Table with 4 columns: Party, 1978 Vote %, Oct. 1974 Vote %, 1979 Vote %, Oct. 1974 Vote %. Rows include Conservative, Labour, Liberal, Scottish Nat., Welsh Nat., National Front, Others.

Closer EEC ties expected

FOREIGN governments expect Mrs Thatcher's government to forgo closer ties to the EEC than its predecessor. Senior EEC officials in Brussels said they believed that Britain would opt for full membership of the European Monetary System by the end of 1979.

NEWS SUMMARY

GENERAL BUSINESS

California curbs on petrol

New high for Equities; Gilts advance

Closed shop challenge from the unions

BY CHRISTIAN TYLER, LABOUR EDITOR

THE NEW Government received its first challenge from trade unionists yesterday when the Wales TUC passed an emergency resolution voting "to defend closed shop agreements by all means possible."

The mood of trade union leaders yesterday was predictably despondent. Although they were careful to acknowledge the decision of the electorate, nearly all forecast that Conservative policies made "problems" or "confrontation" unavoidable.

continue to express its views about reforms it wanted and policies it disliked. All said that the "concordat" with Labour was not for resale to the Conservatives.

CBI seeks tax cuts

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

CUTS IN personal taxation and the abolition of the Price Commission are the first policy changes which industrialists want to see introduced by the new Government.

Government was to be enthusiastically welcomed because of the changes that would be introduced. Letters were sent to No. 10 Downing Street from Mr. John Greenborough, CBI president, and Mr. Denis Randolph, chairman of the Institute of Directors, congratulating Mrs. Thatcher on her victory almost before she had returned from Buckingham Palace.

PUBLISHERS NOTICE The Financial Times will not be published on Monday, May 7.

California State Governor Jerry Brown approved plans for a form of petrol rationing next week in order to cut down huge queues at the pumps.

Equities reached a new peak in after-hours trading on buying for the new Account starting on Tuesday. The FT ordinary index rose 5.1 to 538.6.

Guarded welcome from the City

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE CITY and the financial markets gave a distinctly guarded welcome yesterday to the Conservative election victory.

The new Treasury team will be faced next week with a series of official papers, not only on possible tax and public spending measures, but also on exchange rate and monetary policy.

quickly to a low of \$2.0650 before a midday recovery. Late New York buying pushed the rate up to \$2.0780, for a rise of 10 points on the day.

ETA man 'shot'

ROLLS-ROYCE pre-tax profit for 1978 fell from £20.5m to £11.7m in spite of a substantial rise in sales from £704m to £763m.

Refugee deaths

The response to the overnight election news was far from euphoric in either the foreign exchange or stock markets.

The main movements in the equity market took place just before and after official trading hours. After early gains before 9.30 am the market had to cope with the bad results of EMI, a constituent of the 30-share index.

Iran aid talks

EMI warns of losses

Contents

Table of Contents listing various sections and their page numbers: Election: analysis... and the aftermath... 18; Financial and economic starting point for the new government... 19; Results examined in detail and how the minority parties fared... 5; Sudan: The economic euphoria fades... 24; Vietnam: No foreign bases to be allowed... 2; Property: Buying a house in Scotland... 11; Travel: The Rock of Gibraltar... 12; Golf: Ryder Cup hopefuls... 14; Fashion: Gallic invasion... 14.

Refugee deaths

EMI warns of losses

Refugee deaths

EMI warns of losses

Refugee deaths

EMI warns of losses

Chief price changes yesterday

Table of price changes for various commodities: RISES: Sugar 12p-13.17 £1094 +1; Associated Dairies 306 +11; Assoc. Newspapers 248 +8; Baker (J.) Insula 240 +28; Blue Circle 342 +8; Brierley 115 +17; British Home Stores 275 +15; British Sugar 182 +12; Briston 226 +9; Breweries 129 +9; Broom's 849 +12; Cef 130 +13; Cress Withy 296 +10; Croydon 110 +10; Embros 518 +5; Euro-Options 31 +5; Gibson 189 +10; Hilti 414 +6; Howard Benson 156 +10. FALLS: Lee-Cooper 302 +12; MK Electric 272 +12; Marks & Spencer 130 +4; Morrison (Wm.) 188 +18; Pentos 176 +11; Phoenix Timber 153 +3; Satchell & Satchell 218 +20; Scott. Univ. Invests. 208 +11; Tube Invests. 436 +12; Vickers 210 +11; Shell Transport 804 +10; Cons. Gold Fields 253 +11; Libanon 545 +20; Pengaklen 103 +8; RTZ 362 +8. EMI 114 -23; Higgsons Brewery 78 -10; BH South 93 -6; MTM Holdings 218 -10.

Advertisement for ARBUTHNOT HIGH YIELD FUND. Features large text '10.2%' and 'ESTIMATED CURRENT GROSS YIELD'. Text describes quarterly dividends, high security, and growth prospects. Includes contact information for Arbutnot Securities Ltd.

OVERSEAS NEWS

U.S. workforce down 670,000 but little change for jobless

BY DAVID BUCHAN IN WASHINGTON
AFTER EIGHT months of strong growth, the number of Americans in work fell substantially, by 670,000 last month, the U.S. labour department reported yesterday.

California petrol rationing expected from next week

GOVERNOR Jerry Brown of California was reported yesterday to have drawn up a petrol rationing plan to be introduced in the state perhaps as early as next week.

Citibank raises its prime lending rate to 11 3/4%

BY STEWART FLEMING IN NEW YORK
CITIBANK HAS broken with its formula for determining the prime lending rate and raised the prime to 11 3/4 per cent, bringing it into line with other major U.S. banks.

The Heart Is Where Your Home Is

Our convenient location in the heart of Amsterdam is only one reason, so many guests come 'home' to us again and again. Some other 5 star reasons?
Individual attention and high standard of service
free movies on your in-room closed circuit colour TV.

Japanese market 'effectively protected'

BY MARGARET VAN HATTEM IN BRUSSELS
TOTAL CONTROL by a dozen or so big companies has made the Japanese market one of the most strongly and effectively protected in the world.

Senior Hanoi minister talks to K. K. Sharma about letting bygones be bygones No foreign bases allowed in Vietnam

VIETNAM HAS no plans to give any of its military bases, naval or otherwise, to Russia or any other country.
Mr. Xuan Thuy, a senior member of the Vietnamese Government, and Secretary of the Central Committee of the Communist Party of Vietnam, said in an interview in Hanoi with the Financial Times, that no foreign troops from any friendly country were in Vietnam.



Deng Hsiao-ping's visit to Washington. "Washington is looking at the China market and both countries conspired to attack Vietnam," he said.
Vietnam needed aid from all countries. "For its economic development, the Socialist Republic of Vietnam not only receives assistance from other socialist countries but also stands ready to accept aid from capitalist countries on the basis of equality and respect for each other's sovereignty and territorial integrity," Mr. Xuan Thuy said.

Egyptians attempt to forestall condemnation by Islamic world

BY OUR CAIRO CORRESPONDENT
EGYPT has called for the Islamic Foreign Ministers Conference, due to begin in Morocco next Tuesday, to be turned into a summit to discuss "the return of Jerusalem."

Spanish employers attack money supply measures

BY DAVID GARDNER IN MADRID
THE SPANISH employers' confederation has launched a stinging attack on a package of monetary measures pushed through by government decree last weekend.

Lebanon Premier to resign soon

BY ISHAN HIJAZI IN BEIRUT
THE PRIME MINISTER of Lebanon for the past two-and-a-half years, Dr. Selim al-Hoss, has said he will resign soon to make way for a new government.

Portugal N-report storm

BY JIMMY BURNS IN LISBON
A STORMY REACTION from Portugal's political parties and environmentalists is expected to follow the "leaked" publication yesterday of a long-delayed Government White Paper on nuclear power.

Call for holy war in Iran

BY SIMON HENDERSON IN TEHRAN
TENSION BETWEEN supporters of Ayatollah Khomeini and left-wing Iranians has increased over the past few days following the May Day parades and the assassination of Ayatollah Morteza Motahari, a senior religious leader.

Kreisky scents victory

BY PAUL LENDVAY IN VIENNA
CHANCELLOR Bruno Kreisky of Austria expressed confidence yesterday that his Socialist Party would win an absolute majority in the general elections tomorrow.

Unions attack Wiehahn proposals

By Quentin Peel in Johannesburg.
MR. ARRIE PAULUS, secretary of South Africa's all-white Mineworkers' Union, walked out of a meeting with Mr. S. E. Botha, the Minister of Labour, yesterday, accusing him of "treason" towards white workers.

Soweto policeman dies

BY OUR JOHANNESBURG CORRESPONDENT
A BLACK South African policeman armed with Soviet-made AK-47 rifles and hand grenades, according to a police statement, was killed in an urban guerrilla attack on a police station in the massive Soweto black township outside Johannesburg.

France to ban Springbok tour

BY DAVID WHITE IN PARIS
M. JEAN-PIERRE SOISSON, French Minister for Sport, yesterday ruled out a planned tour by the South African Springboks rugby union side, which threatened to provoke a major political clash in the run-up to the 1980 Moscow Olympics.

Environmental controls 'cheap'

BY TERRY DODSWORTH IN PARIS
ENVIRONMENT protection measures do not add significantly to inflation levels, Mr. Douglas Costle, Administrator of the U.S. Environmental Agency, said yesterday.

Poll boost for Giscard's party

BY ROBERT MAURNER IN PARIS
THE LIST of President Giscard d'Estaing's supporters, headed by former Health Minister Michel Simone Veil, leads the field in a public opinion poll on voting intentions for the European elections, published by the newspaper Le Figaro yesterday.

FINANCIAL TIMES Euro-Japanese Symposium CONFERENCE
The market for long-range wide-bodied aircraft was already well covered but wide-bodied aircraft in the short and medium range, for example, offered great potential—more than 2,000 aircraft over the UK.

Handwritten signature or mark at the bottom of the page.

UK NEWS

LABOUR NEWS

Birmid iron foundry to shut in July

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

PLANS TO close an iron foundry with a loss of at least 600 jobs were announced yesterday by Birmid Qualcast. Blame for the decision was placed on the continuing decline of vehicle-assembly.

Car imports last month are thought to have taken a record share, about 56 per cent, of the market. Higher penetration is caused not only by direct imports from companies such as Renault, Ford, Vauxhall and Chrysler bring in cars made overseas.

The company said that, while the position had to be kept under review, no further closures were expected this year. Every effort had been made to avoid the redundancies, but no alternatives were possible.



Mr. Patrick Sergeant, city editor of the Daily Mail was yesterday named Financial Journalist of the Year by the Wincott Foundation. The award, for outstanding achievement in economic and financial journalism, is worth £700 to the senior award winner.

A special award was also given to Miss Marjorie Deane for her series of specialist articles called Financial Report.

Bid to cut danger of acrylonitrile

BY KEVIN DONE

THE HEALTH and Safety Commission intends to reduce drastically the maximum levels of acrylonitrile to which chemical industry workers should be exposed.

The commission said yesterday that many plants were already achieving a level of exposure of 2 ppm. The new levels have been agreed by the chemical industry, but the commission added: "Since there are insufficient data on which to make a confident prediction as to a safe level of exposure, the commission accepts that a hazard may still exist at current levels of exposure and recommends that industry should, in addition to meeting specific limits, reduce all exposures to as low a level as is reasonably practicable."

For sale: home with wildlife

BY ANDREW TAYLOR

A SMALL wildlife park is among the attractions of one of London's most unusual residences being offered for sale at an asking price of £5m.

Varley wins damages for bogus letters

MR. ERIC VARLEY, former Industry Secretary yesterday accepted an undisclosed sum of damages and his costs in settlement of his High Court action in London over articles on alleged payments of bribes by British Leyland that appeared in the Daily Mail in 1977.

Cigarette lottery will be relaunched

By David Churchill, Consumer Affairs Correspondent

IMPERIAL TOBACCO is to relaunch its controversial "Spot-Cash" lottery promotion for some king size cigarettes next week.

Doctor claims diet cure for migraine sufferers

BY DAVID FISHLICK, SCIENCE EDITOR

A LONDON medical researcher is claiming considerable success in treating migraine patients with a diet designed to discover to which foods and drinks they are allergic.

Wiggins Teape plans £1m Scots paper mill

BY MAX WILKINSON

WIGGINS TEAPE plans to invest £1m in its paper mill at Fort William, Scotland, close to the pulp mill which the company says may have to be closed.

It would still make a loss. Talks are now taking place between the Department of Industry, Wiggins Teape and Bowater and Reed about the possibility of building a new pulp mill at Fort William to replace the pulp complex and to use wood from Scottish forestry plantations.

Sub-postmasters confer on costs and protection

PROBLEMS of rising costs and security are likely to be major themes at the annual conference of the 20,000 sub-postmasters in the Isle of Man early next week.

Whitbread allowed 1p more a pint

By Our Consumer Affairs Correspondent

THE PRICE COMMISSION announced yesterday that it is granting a further interim price rise to Whitbread of 1p a pint on beer.

Calculating how much should be deducted

WHAT should civil servants say for their index-linked pensions? The answer, according to Mr. Edward Johnston, the Government Actuary, is a deduction of 2.6 per cent in assessing the value of the pension.

The Government Actuary takes the benefits paid on the Civil Service scheme and calculates the cost, as a percentage of salary, to provide those benefits for a new entrant to the scheme, aged 25. In the discounting process he makes various assumptions on investment, earnings progression and prices inflation.

The Government Actuary has done a comparable set of calculations in each of the 458 schemes comprising the analogue. This naturally produced a wide variation in the cost of benefits ranging from nil cost, applicable to 13 schemes, to over 20 per cent in the case of nine others.

NEWS ANALYSIS—CIVIL SERVICE PENSIONS

BY ERIC SHORT

Assumptions

Life companies are perfectly prepared to quote for benefits increasing at a known rate, ten as high as 9 1/2 per cent a year. But they will not take on an open-ended commitment involved in linking benefits to an index such as the Retail Price Index. So how does the Government Actuary deal in where companies are "very clearly" published yesterday.

On this basis the value of benefits to a non-industrial civil servant is 17.3 per cent of salary. In terms of company pension schemes, this means that the contribution rate for a new entrant to meet the pension benefits, including the index-linking, would be 17.3 per cent of salary.

There are further adjustments to be made before the final answer. These further adjustments are dealt with in detail and produce the final result that Civil Service pensions are worth 2.6 per cent of salary more than in comparable schemes.

The sensitive nature of Civil Service pensions is admitted in the Appendix 1 to the report. This contains the exchange of letters between Mr. G. T. Morgan of the Civil Service Department and the Government Actuary, highlighting the need to demonstrate, in view of past criticisms, that the arrangements for dealing with pension differences are demonstrably fair. The Government Actuary has appreciated this point. He has

made alternative calculations showing the effect of assuming that pensions do not increase at all. On this basis, the value of the Civil Service benefit would drop to 12.5 per cent, while that on the analogue scheme would be only 10.5 per cent.

Theatre board wins injunction to curb secondary picketing

BY PAULINE CLARK, LABOUR STAFF

TRADE UNIONS, whose picketing activities were a central issue in the election campaign, were yesterday confronted with a further judicial decision against secondary picketing.

The board had argued that since it had no contractual relationship with the strikers, pickets could direct their activities only at the National Theatre, their own employers. The board owns the National Theatre building, which has not been completed.

The court found that under the Trade Union and Labour Relations Act, the National Theatre strikers were not protected in law when they sought to persuade the building

operation of pay policies. However, the union says it still expects the English banks to meet the deal made by the Scottish banks, which involved the payment of more than 13 per cent of new money. With the consolidation of a productivity payment, salaries of Scottish bank staff have risen by an average of 17 per cent.

Banking union rejects 12% pay offer

BY NICK GARNETT, LABOUR STAFF

A PAY OFFER of up to 12 per cent made by the five English clearing banks and covering more than 200,000 staff has been rejected by the Banking, Insurance and Finance Union.

The offer, which the bank staff associations also consider inadequate, involves 8 1/2 per cent new money, together with the consolidation of a further 3 1/2 per cent, in place of a 12 month productivity deal negotiated last year. That productivity payment which will no longer be made, was worth about 5 per cent.

The banks are also offering a new Central London supplement of £200 a year for staff working within three miles of the centre. The banking union is seeking a similar deal to that negotiated for Scottish clearing bank staff which resembles the English offer but incorporates a further 5 per cent of new money.

The banks see that as "leapfrogging" claim because the extra 5 per cent paid in Scotland was specifically designed to remove pay anomalies between the Scottish and English clearers which arose through

Steel union recommends 8% pay offer

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS for 41,000 craftsmen employed by British Steel Corporation agreed yesterday to recommend an 8 per cent pay offer on the eve of an overtime ban called last month because of delays in reaching a settlement.

The National Craftsmen Co-ordinating Committee will put the offer to the executives of its nine constituent trade unions but BSC was hoping last night that steps would be taken immediately to call off today's industrial action.

Civil Service pay monitors approve survey methods

BY PHILIP BASSETT, LABOUR STAFF

AN INDEPENDENT BOARD examining Civil Service pay comparability said yesterday that it was satisfied about the fairness of job comparisons with outside industry which led to a settlement this week for 25 per cent.

reports of comparisons were the best basis for determining external pay levels. However, it added, that the unit's internal survey of Civil Service grades to be included in the system should be extended. Normally about 65 per cent of grades are covered.

Plessey lays off 49

FORTY-NINE people were made redundant at Plessey's Edge Lane, Liverpool, plant last night—the end of the three-year rationalisation plan by the company to save the factory.

Even at the beginning of this week 200 jobs were due to go, but the company said last night that a considerable number had been redeployed mostly within the group. Natural wastage had further reduced the figure.

Scots schools face disruption

SCHOOL DISRUPTION is likely to spread to Scotland on Tuesday, when more than 3,000 members of the Scottish Schoolteachers' Association have been told to refuse non-teaching work.

England and Wales, the association is protesting over failure to settle the 1979 pay rise for school staff. The Scottish unions are demanding a 42.5 per cent rise, and have been offered 9 per cent and reference to the Pay Comparability Commission.

Like teachers' unions in

UK—ELECTION NEWS

Dejected trade union leaders warn against confrontation

BY PHILIP BASSETT AND NICK GARNETT

TRADE UNION leaders were dejected yesterday at the Conservative victory and at the failure of the union campaign for the return of a Labour Government. Many stressed that the concordat signed by the TUC on pay, prices and conduct in industrial disputes was now a dead letter...

Government still frightened him and its policies on industrial relations could be "an absolute disaster" for the nation. He also said that the industrial unrest at the beginning of the year destroyed Labour's chances in the election.

That was free collective bargaining. If the Tories are in favour of free collective bargaining they'll get more of the same. Mr. Joe Cormley, president of the National Union of Mineworkers, said he viewed the Tory victory with "great disappointment".

Unions, though, were opposed to the Tories' election promises to legislate on picketing, the closed shop and other industrial relations issues, which could lead to confrontation. Mr. Alan Fisher, general secretary of the National Union of Public Employees, which led the winter manual workers' strikes in the hospitals and local authorities, urged Mrs. Thatcher to appoint Mr. James Prior as Employment Secretary if she wanted peace with the unions.



Mrs. Thatcher on her way to 10 Downing Street with her security officers.

Wary rejoicing for Thatcher

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

FOR A leader who has been portrayed by her opponents as a dangerous adventuress, Mrs. Thatcher was playing things remarkably cautiously yesterday. As the good tidings for the Tories poured in during the early hours, she steadfastly refused to predict a Conservative victory.

With the spate of Tory gains quickening, she dashed off to the local party headquarters, accompanied by her husband, Denis, and her children, Mark and Carol. There, she conceded that things were "beginning to shape up".

After a few hours' sleep back at her home in Flood Street, Chelsea, she emerged briefly for photographers, and by late morning was back at Tory Central Office to congratulate campaign workers.

By that time it was obvious beyond doubt that the Conservatives were back with a sizeable majority and that she would be Britain's first woman Prime Minister. As about 150 party

Cautious market reaction

By Christine Meir

BY CLOSE of trading yesterday, market dealers and the major institutions were praising each other for their sobriety and responsibility. It was mentioned their cleverness in accurately forecasting a workable Tory majority.

Before the market opened, however, it was another matter. Jobbers were at their pitches well before opening and had put a cautious ceiling on bargains in case they were caught short in stock.

Table with 2 columns: Conservative and Labour. Lists constituencies and names of MPs. Conservative: Nelson and Colne (Lab), Rosendale (Lab), Horchurch (Lab), Putney (Lab), Fulham (Lab), Iford South (Lab), Anglesey (Lab), Ealing North (Lab), Newark (Lab), Lincoln (Lab), Northampton North (Lab), Peterborough (Lab), Enfield North (Lab), Dartford (Lab Co-op), Liverpool Garston (Lab), Rochester and Chatham (Lab), Coventry South West (Lab), Birmingham Yardley (Lab), Huddersfield West (Lab), Sowerby (Lab), Watlington (Lab), Aldridge-Brownhills (Lab), Gravesend, Birmingham Selly Oak, Luton East, Bebbington and Ellesmere Port, Dudley West (Lab), Luton West (Lab), Bristol North West (Lab), Oxford (Lab), Birmingham Northfield (Lab), Basildon (Lab), Briarhouse and Spenborough (Lab), Belper (Lab). Labour: Southampton Test (Lab), The Wrekin (Lab), Meriden (Lab), Rugby (Lab), Gloucestershire West (Lab), Hemel Hempstead (Lab), Kingswood (Lab), Loughborough (Lab), Lichfield and Tamworth (Lab), Preston North (Lab), Portsmouth North (Lab), Farnham (Lab), Brigg and Southhorpe (Lab), Hertford and Stevenage (Lab), Brecon and Radnor (Lab), Devon North (Lab), Cornwall North (Lab), Montgomery (Lab), Angus South (SNP), Banff (SNP), Moray and Nairn (SNP), Galloway (SNP), Aberdeenshire East (SNP), Argyll (SNP), Perth and East Perthshire (SNP). Other: Glasgow Cathcart (Con), Workington (Con), Newham North East (Con), Walsall North (Con), Ashfield (Con), Birmingham Stechford (Con), Carmarthen (Ffald Cymru), Silesley East and Clackmannan (SNP), Dunbartonshire East (SNP), Paisley (Scot Lab), Ayrshire South (Scot Lab).

A sudden hush in Washington

ELECTION NIGHT at the British Embassy in Washington was a rather demure, if not sober, occasion.

Mr. Peter Jay, the Ambassador, who will presumably shortly be leaving his post, studied election returns intently by television cameras and privately wished that a game of bridge could be arranged.

CBI draws up prosperity plan

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A SIX-POINT plan to make "trade and industry prosper" was yesterday urged on the Government by the Confederation of British Industry.

It included tax cuts, better pay bargaining, fewer strikes, improved industrial relations, the introduction of "fewer laws affecting industry, and curbs on Government spending."

Steel ready for Liberal revival

By John Lloyd

MR. DAVID STEEL, the Liberal leader, yesterday forecast a Liberal revival in the next Parliament, "from a higher base" than the surge forward which occurred under the leadership of Mr. Jeremy Thorpe in 1970-1974.

Although bitterly disappointed over the loss of three MPs—especially Mr. John Pardoe, his unofficial deputy and the Party's economics spokesman—Mr. Steel was confident that the party would grow strong once

Callaghan blames defeat on winter industrial unrest

BY IVOR OWEN

LABOUR LOST the election because people "voted against last winter," Mr. James Callaghan admitted yesterday minutes after tendering his resignation as Prime Minister to the Queen.

Staff correspondents, world wide, assess response to Britain's first woman Prime Minister

Brussels hopes for EMS progress as U.S. raises doubts on Africa

Brussels hopes for EMS progress as U.S. raises doubts on Africa

THE LIKELIHOOD that Britain's new Conservative Government will closely re-examine the issue of European membership of the European Monetary System has been one of the chief reactions in Brussels to yesterday's election result.

Senior EEC Commission officials made plain that although no early decision on EMS was expected, it is anticipated that Britain will opt for full membership before the end of 1979. Such a move, it is being emphasised, would help to symbolise the more positive and constructive approach to EEC questions that it is hoped the new government will adopt.

Brussels hopes for EMS progress as U.S. raises doubts on Africa

that the UK negotiating tactics that have been labelled "perpetual re-negotiation" of EEC membership will change.

The departure from the Brussels scene of such abrasive EEC opponents as Mr. John Silkin, former Agriculture Minister, and Mr. Anthony Wedgwood Benn, former Energy Secretary, is predictably being greeted with some relief in Brussels.

Brussels hopes for EMS progress as U.S. raises doubts on Africa

will become the first foreign head of government to meet the new Prime Minister. He flies to London on Thursday for two days of talks in the latest of West German summit meetings.

With Mrs. Thatcher and many of her team relatively unknown in Bonn, it is felt that the West Germans are likely to focus on policies rather than personalities.

Brussels hopes for EMS progress as U.S. raises doubts on Africa

economic situation and the Labour Government's attempts to place the burden of the crisis on the shoulders of working people.

It said that the voting confirmed the axiom of British political life that the Opposition does not win an election: it is lost by the ruling party.

Brussels hopes for EMS progress as U.S. raises doubts on Africa

to hold a post in the new coalition government to be established at the end of this month, said that there was now a chance that an end would be put to Western apartheid in the Soviet Union. If that happens, "a whole new vista will open for us," he said.

Mrs. Thatcher's administration would not be a "run-of-the-mill" one but would show "real dynamism," he predicted.

Brussels hopes for EMS progress as U.S. raises doubts on Africa

adopt a more constructive attitude towards the European Community.

The French Government is well aware that Mrs. Thatcher's administration is unlikely to be less tough than a Labour government in defending the UK's national interests within the Community. But it would certainly welcome a change in style.

Brussels hopes for EMS progress as U.S. raises doubts on Africa

favour of the Tories in the Canadian general election on May 28.

The Canadian voters might take a lead from the British and decide to elect a Conservative Government led by Mr. Joe Clark, Progressive Conservative Party workers said in Ottawa yesterday.

Brussels hopes for EMS progress as U.S. raises doubts on Africa

Senior EEC Commission officials made plain that although no early decision on EMS was expected, it is anticipated that Britain will opt for full membership before the end of 1979. Such a move, it is being emphasised, would help to symbolise the more positive and constructive approach to EEC questions that it is hoped the new government will adopt.

There is, however, great interest in how the Prime Minister will get on with Herr Helmut Schmidt, the West German Chancellor. One irreverent comment heard inside the National Security Council is that their first meeting may well be tantamount to "Jaws Three"—an allusion to the two successful films about sharks.

Next week Chancellor Schmidt will become the first foreign head of government to meet the new Prime Minister. He flies to London on Thursday for two days of talks in the latest of West German summit meetings.

With Mrs. Thatcher and many of her team relatively unknown in Bonn, it is felt that the West Germans are likely to focus on policies rather than personalities.

It said that the voting confirmed the axiom of British political life that the Opposition does not win an election: it is lost by the ruling party.

Mrs. Thatcher's administration would not be a "run-of-the-mill" one but would show "real dynamism," he predicted.

adopt a more constructive attitude towards the European Community. The French Government is well aware that Mrs. Thatcher's administration is unlikely to be less tough than a Labour government in defending the UK's national interests within the Community. But it would certainly welcome a change in style.

Mr. David Steel, Liberal leader, and his wife, Judith, after his return as MP.

Mr. David Steel, Liberal leader, and his wife, Judith, after his return as MP.

Mr. David Steel, Liberal leader, and his wife, Judith, after his return as MP.

Mr. David Steel, Liberal leader, and his wife, Judith, after his return as MP.

ELECTION ANALYSIS AND THE AFTERMATH

VOTING TRENDS

The growth of sectional allegiances

BY PETER PULZER

THREE FEATURES all interconnected, stand out from Thursday's election. The first is the size of the swing from Labour to the Conservatives, the second the extent of regional variations, the third the continuing strength of minor parties. All three illustrate trends increasingly noticeable in the last two decades. All three have serious implications for the future of political parties as instruments of government.

The name of the game has been, and is, volatility. Through-out the 1960s and 1970s election upsets have become more frequent, minor party surges more usual, opinion poll fluctuations more extreme. The swing of 5.3 per cent in this election is the highest since the war, exceeding that of 4.8 per cent achieved by Mr. Heath in 1970 and that of 3.1 per cent by Sir Harold Wilson in 1964.

Swing is, however, an imperfect index of changes in allegiances. It measures the net effect of opinion switches, not the total movement of party fortunes. The 0.6 per cent swing from Conservative to Labour in February 1974 concealed much larger changes in party shares (Con: -7.3 per cent, Lab: +8 per cent, Lib: -12.2 per cent, Others: +5.5 per cent). In this respect the changes this time are smaller (Con: + 8.4 per cent, Lab: -4.6 per cent, Lib: -2.3 per cent, Others: -1.5 per cent. All percentages exclude Northern Ireland).

What we do not yet know, though we may discover it from detailed analysis of opinion polls, is how many people changed their minds altogether, including those who moved from abstention to voting and vice-versa.

Regional variations in electoral behaviour are nothing new to British politics. Through much of the nineteenth century the division between an industrial, non-conformist, Liberal North and an agricultural, patriarchal, Anglican and Tory South was a commonplace. So was the impact of the individual

candidate and the salience of regionally determined attitudes, now largely forgotten; the Unionist imperialism of Birmingham, the Protestant-Catholic split in South Lancashire and the West of Scotland, the special preoccupations of Wales. Indeed, the era of uniform swing (mainly the 1850's) may turn out to have been aberration, as we now revert to a more individualistic pattern of electoral choice.

From the late 1950's onwards variations in voting behaviour have followed two distinct patterns. The first has been a gradual widening between the older industrial areas of the North of England and Scotland, increasingly dominated by Labour, and the growth areas of the South and, to a lesser extent, the Midlands, increasingly dominated by the Conservatives.

The 111 shows the extent of this by comparing the number of seats held by the main parties in the major areas of the country, in 1955 and 1979, years in which the ratio in the total seats was roughly equal.

The second has been a growing gap between the conurbations, increasingly monopolised by Labour, and the outer suburbs and rural areas increasingly dominated by Conservative. These trends have been cumulative, with the Northern and Scottish conurbations and Southern counties at the two extremes.

A tempting explanation for this is population movement: the clever and the ambitious leave for the South, the middle classes go to commuterland, leaving the North and the inner cities to the unskilled proletariat. But this cannot be the whole answer. It does not explain the differential swings between February and October 1974, fought on the same register, and it certainly cannot account for the unprecedented variations this time, as shown in Table I.

Moreover, in 1979 regional factors to some extent trumped the urban/rural cleavage, with

Greater London behaving more like the rest of the South than, as on previous occasions, like Manchester or Newcastle.

We have therefore to assume that age, income and occupation, the sociologists' most usual categories for analysis, are not the only factors that influence electoral choice; that this choice and, above all, changes of choice, are also influenced by where one lives and what kind of employer one works for. Whether middle or working

normally a guarantee of Labour-voting stability, partly because Labour is seen as the tenant's friend, but also because homogeneous communities reinforce the dominant ideology. Then why the high swings in East End seats with massive council estates? The promise of council house sales? Do tenants not want to buy in Leeds or Nottingham?

Whatever the answer—backlash against the Ford strike, less fear of unemployment, identifi-

highly fissiparous political trends in the U.K. Not only does Scotland continue to go its own way with its own preoccupations (concern with jobs equalled concern with prices in the BBC's polling-day survey), with the shadow Scottish Secretary using his seat in the only Tory loss of the day. The Conservative Party continues to be perilously weak in the Metropolitan counties and few of Mrs. Thatcher's Cabinet will be drawn from there.

Labour, on the other hand, is now without any representation from even moderately agricultural seats in England, and it has suffered particularly swinging defeats in the new towns and other growth areas of the South, which it needs to compensate the effects of the next Boundary Commission on its traditional strongholds.

In large parts of the South-West it is not an effective force and the Liberals remain, despite their setbacks, the principal challengers to the Conservatives. Indeed the only move towards national uniformity on May 3 was the highly effective Tory sortie into rural Wales.

The more sectional political allegiances is, the more difficult it becomes for governments to act integratively. The more a government is mortgaged to a particular interest or region, the less fitted it is to build consensus.

Against such dangers one may see two counter-developments. First, unless all the surveys are wrong, there seems to be a continuing erosion of the parties' class basis. Labour's now sizeable middle-class following seems to have held up better than its working-class support. Second, the voting strength of the minor parties (at 18.8 per cent) is still stronger than at any time between 1945 and 1974. This could be a de-stabilising factor; it is at any rate not a polarising one.

The author is Tutor in Politics at Christ Church, Oxford. Statistical material by courtesy of Paul McKee and ITN.

PARTY STRENGTHS IN SEATS BY REGIONS

	1955			Oct 1974			1979*		
	Con	Lab	Lib	Con	Lab	Lib	Con	Lab	Lib
Greater London	51	49	—	41	51	—	49	43	—
Other South	127	20	—	128	29	5	144	7	3
Midlands	29	57	—	43	52	—	34	4	—
North	75	90	2	44	117	3	53	108	3
Wales	6	27	3	8	23	2	10	23	1
Scotland	36	34	1	16	41	3	22	44	3
TOTALS	334	277	6	277	319	13	339	268	11

* Provisional.

class, people in a large city are more likely to work for a large firm or the public sector, are more likely to feel the need for rent control or subsidised public transport and are perhaps more open to radical or innovative ideas.

These hypotheses, if valid, would explain a general metropolitan trend towards Labour, irrespective of any changes in occupation. Why, then, the deviation in London this time which applied to all types of constituencies?

The immigrant vote, for instance, when mobilised, is normally solidly Labour and would tend to slow down locally any national swing to the Conservatives. Outside London this seems to have been true. Indeed, immigrant seats like Leicester South, Manchester Moss Side and Leeds North-East were among the few to swing to Labour this time.

Similarly council housing is

playing a balancing act in the new Parliament dashed because of Mrs. Thatcher's overall majority. Ulster's Official Unionists have suffered the additional blow of losing two key seats to the more uncompromising Democratic Unionist Party of the Rev. Ian Paisley. The DUP will now have three seats; other Unionists will have two. Mr. Gerry Fitt held West Belfast for the SDLP and will remain its only member.

The official Unionists, the largest Unionist group and the most moderate, will now have only five seats in Parliament compared with seven last time. The success of the DUP was extremely worrying, according to Mr. John Hume, the deputy leader of the SDLP. "This shows that Northern Ireland is more polarised than ever."

The parties of the far Right and the far Left have done badly, though it must be said that the National Front, which put up over 300 candidates, did considerably better than the

Communist Party or the Trotskyist groups. Yet even in its most promising ground in the East End of London, it was consistently beaten by the Liberal Party.

Only in Hackney South (Mrs. John Tyndall) and in Bethnal Green (Mr. Martin Webster) did it reach near to 2,000 votes. The party may be expected to continue to present its more respectable, democratic image, and to benefit from anti-immigrant and anti-black resentment especially where coupled with high unemployment.

For the far Left, it appears that it has once more attracted little more than the votes of the various groups' own activists. A realignment of the far Left, often mooted, may be a little closer now, but will meet as it has in the past powerful sectarian barriers which generally prove stronger than hope of electoral success.

John Lloyd Stewart Dalby

ITN and the BBC show their election faces



David Dimbleby of the BBC.

THE SUPERIORITY established by ITN at 11.34 pm on Thursday when they beat the BBC to the first result of the night at Glasgow Central, was almost immediately lost by Alastair Burnet's unpleasant if accurate description of the city as being marked by vandalism, unemployment and truancy. But any resultant swing away from ITN was probably counter-balanced by the irritation caused by the BBC's treatment of Bob McKenzie and his "swingometer" which, for archness, could only be compared to Angela Rippon's eyebrows.

On such tiny and ludicrous details in the television services contest their election results programmes.

Yet it is a battle which although marked by gimmicks is nevertheless fought with deep seriousness since it involves great prestige, uniquely long and sustained live news coverage, vast outlays of money—£500,000 a time according to Burnet in a recent speech—and a historic but diminishing dominance by the BBC which ITN will hope to have broken this time.

But as in the average voter's choice of political party, so in his choice of election night programme, the selection will very often have been made, no doubt, with very little fuss and more by way of traditional family preferences and sheer habit than by any deep or lengthy consideration of the alternatives on offer.

Not that the BBC and ITN alternatives were wildly different, anyway when it came to the practical business of getting the results and the national implications of the results out to the public.

No matter what the two sides may say about their computer graphics, they are virtually indistinguishable when they pop up on the screen in the sitting room.

Moreover the early predictions on which both channels are so keen cannot be checked for accuracy at the time (though for the record ITN started out predicting 349 Conservative, 257 Labour and 9 Liberal at the start).

Furthermore, short of filming returning officers from the back or through green filters there is really no way that either channel can make its outside broadcast insert from the counts around the country look any different from one another, whatever the broadcasters may

persuade themselves and some other representatives of the mass media about personalities, it is surely the actual results which are of first importance to most viewers.

However, given that the ITN and BBC do produce the figures almost simultaneously nowadays—though ITN stayed very slightly ahead in the first half-hour this time—the staff seen on the screen do presumably enter into considerations at least at a secondary level. Yet even here the similarities were often more striking than the differences.

Each programme had an anchorman; David Dimbleby at the BBC and Alastair Burnet at ITN. Each had a statistics specialist in the studio: David Butler at the BBC and Peter Snow at ITN. Each had an interviewer talking in the studio to politicians: Robin Day at the BBC and Leonard Parkin at ITN.

Each had a presenter standing by to provide updated summaries: Maryn Lewis at ITN and Angela Rippon at the BBC. Each had reporters and camera crews out with the main political leaders.

That each side would use its famous woman newscaster—Angela Rippon at the BBC and Anna Ford at ITN—was only to be expected.

Less predictable was the emergence of Peter Snow at ITN as a statistics fanatic to challenge the BBC's David Butler.

Butler sustained his record for mastery of arcane detail (huilt up over 11 elections) by a casual off-the-cuff reference in the early hours yesterday to an 1891 constituency resid. Snow challenged far less "Statistics Mastermind" title

by plucking from mid-air the abstract fact that Tories was the 20th most likely marginal to go Liberal—at least, that is what it sounded like.

The most attractive aspect of election programmes is their air of euphoria: politicians and broadcasters alike have worked intensely through the campaign, and the declaration of results quite clearly comes not only as a climax, but as a relief to both.

Like students checking their teachers and deliberately revealing a little of their true attitudes on the last day of school, reporters can be heard toasting the politicians they have dogged grimly through the campaign.

But can it be a great surprise to hear on ITN at 4 o'clock yesterday morning, among the shouts from the Press photographers at Conservative Party HQ to "Wave this way, Mrs. Thatcher, and 'Wave both hands, the raucous request "would you mind moving to your extreme left, Maggie?"

The activities of the few "doorstepping" reporters such as Cockrell, and—at Mrs. Thatcher's home—Michael Charlton for the BBC and Anna Ford of ITN, brought one of the few really distasteful flavours to the night's programmes. Since the only possible function of such reporters is to thrust a microphone into the subject's face and shake a sliver in the form of a question—"Is it still cautious optimism, Mrs. Thatcher?"—the only possible result is embarrassment all round: for reporter, subject and viewer. There is surely no point in continuing to send out reporters on such cold and thankless jobs.

Nor, on the evidence of this election anyway, is there any great point in under pressure to tackle almost immediately stamp duty on house purchases. House prices have doubled since the present scale of charges was introduced in 1974. Stamp duty is charged on houses costing £15,000 or more. In 1974, this left most houses exempt; now most houses cost more than £15,000. Stamp duty is particularly anomalous tax because once the trigger point is reached, the whole of the price, not just the excess above the threshold, is taxed.

The much-revered earnings rule for pensioners, which deprives them of part or all of the basic State retirement pension if they have a job paying more than £35 a week, is another candidate for early Tory action. The Tories want to reduce the burden of taxes on capital gains and gifts but have not spelt out their proposals. Purists argue for reforming capital gains tax to make it apply only to real gains (net of inflation)—but the Inland Revenue has warned that indexing the tax would add horrendously to its already heavy workload. The alternative of "tapering" the tax (applying lower rates the longer the period in which the gain was made) would be almost as complicated.

Eamon Fingleton

The minority parties lick their wounds

MR. STEEL received the news of John Pardoe's defeat on a telephone in his children's room at home in Etrick Bridge just after noon yesterday. He turned away from his aides and put his hand to his eyes.

Later, his calm, reasonable held up once more, he talked of his disappointment over the loss of Mr. Pardoe and of Mr. Smiley Hooson, straight-forwardly and briskly. "Both very difficult to replace... John was our economic brain... a great support for me." About Mr. Jeremy Thorpe he was "not really surprised... because of his special circumstances."

After the first flash-in-the-pan in the Liberal vote in Cheltenham announced at about midnight on Thursday, Mr. Steel took an increasingly hard sounding as the night wore on. His strategy of the past month and two sides. Politically, it rested on the concept of moderating the policies of whichever of the two major

parties secured most seats, on the assumption that neither would command an overall majority, by means of a Liberal "wedge" of MPs numbering between 20 and 50.

Tactically, he concentrated on about 50 seats—the 14 he held in the previous Parliament and some 30-odd he might have won.

The failure of the tactic, in the short-term at least, means that his preferred politics are dead, possibly for as long as the next five years. And so, yesterday, with the lines of exhaustion etched across his face, he began to outline a position which would hold the party together for the immediate future.

First, he faces the possibility of a leadership battle. The party according to its own account for a new leadership election after every General Election. Mr. Steel made it clear he will stand on his record and he is unlikely to meet a serious challenge.

He will then tell his depleted Parliamentary party that it is in a similar situation to the one it faced in 1970, reduced then to six members by a successful Tory party. "A Conservative Government always benefits the Liberals," he said. "We will be looking for by-election wins in the near future."

He is unlikely to change either his tactics or his policies. He remains convinced that the party could not have fought the election in any other way, and that it should continue to offer itself as a moderating force while pushing on what Mr. Steel sees as a slowly opening door leading to electoral reform.

His next immediate task is to give the party heart to fight the European elections: he expects to field candidates for all 81 seats, in the strongest ones, he said, he may field those candidates—like Mr. Pardoe and Mr. Hooson—who were beaten this week. With their hopes of again

playing a balancing act in the new Parliament dashed because of Mrs. Thatcher's overall majority, Ulster's Official Unionists have suffered the additional blow of losing two key seats to the more uncompromising Democratic Unionist Party of the Rev. Ian Paisley.

The official Unionists, the largest Unionist group and the most moderate, will now have only five seats in Parliament compared with seven last time. The success of the DUP was extremely worrying, according to Mr. John Hume, the deputy leader of the SDLP. "This shows that Northern Ireland is more polarised than ever."

The parties of the far Right and the far Left have done badly, though it must be said that the National Front, which put up over 300 candidates, did considerably better than the

The problems of Scotland's swing to Labour

THE SWING to Labour in Scotland, against the national trend, has left Mrs. Thatcher with two problems, the most immediate being to fill the vacant post of Secretary of State for Scotland.

Mr. Teddy Taylor, the shadow spokesman, lost his seat at Glasgow Cathcart to Labour with a 4.4 per cent swing against him. Mrs. Thatcher could go back to Mr. Allick Buchanan-Smith (North Angus and Arbroath), who resigned as Scottish spokesman in 1976 over his support for devolution, but that unlikely since he made himself unpopular with the party

leadership by campaigning against the official line in the devolution referendum.

A more likely choice is Mr. George Younger (Ayr), a junior Minister in the Scottish Office and Defence department in the last Conservative government, and deputy Scottish spokesman to Mr. Taylor.

A more difficult problem, but much less pressing, is what to do about devolution. The Conservatives are committed to all-party talks and to reforming Scottish administration to make it more accountable and more responsive to local opinion.

One of the favoured options is to increase the power of the Scottish Grand Committee, which consists of all 71 Scottish MPs and holds its meetings in Edinburgh rather than Westminster. However, with Labour now holding 44 Scottish seats against the Tories' 22, the committee would have to be packed either with English MPs or Scottish peers in order to reflect the overall parliamentary balance and this would partially defeat the object of the exercise.

Conservative industrial policy is likely to produce some cosmetic amendments to the guidelines of the Scottish Development Agency and a gradual shift from blanket towards selective regional incentives. Much more importantly, however, the new government's attitude to job-making in non-union industries, particularly shipbuilding, could have a profound effect on the Clyde.

The Conservatives did well from the election, losing only one Scottish seat but gaining seven from the Scottish National Party, making up all but one of their losses to the Nationalists in 1974. Labour won two Nationalist seats and regained Paisley and

South Ayrshire, where Labour MPs had defected to form the Scottish Labour Party, which fared so badly that it is now virtually dead. Labour also led Cathness and Sutherland, and where Mr. Bob MacLennan was endangered by the fact that there was no Liberal standing. But the party failed to take the Tory marginals of Edinburgh Pentlands or Aberdeen South. The SNP, which lost nine of its 11 seats, is now back to virtually the position it occupied in 1970.

Ray Perman

in some of their safe seats. In Perth, for example, Mr. William Whitelaw, the deputy Conservative leader, benefited from only a 2.4 per cent swing.

The Liberals managed to hold all four of their seats in the North—Berwick, Colne Valley, Rochdale and Liverpool Edge Hill—but the breakthrough failed to materialise in their target seats of Cheadle, Hazel Grove and Southport.

Rhys David

The pattern elsewhere in the North was one of comparatively big swings against Labour in a number of safe seats in Yorkshire and the North-East, including some mining constituencies, but lower swings to the Tories

Labour digs in its heels in the North

ESPIE ALL the predictions, the North-West failed to live up to its billing as the probable cockpit of the election, with Labour managing to hang on against the national swing in a number of key marginals. And other parts of the North, too, a handful of seats changed hands, leaving voters in the north and Midlands playing the most important role in sending Mrs. Thatcher to No. 10.

The Tories' north-western wins were in Rossendale, Nelson and Colne, Chorley, Liverpool Garston, Behington and Preston North. But other equally vulnerable seats such as Bury Radcliffe stayed Labour, though the previous majority of 442 is now a mere 38.

Labour hung on, too, in Bolton West, where a swing of only 2 per cent was needed for a Tory victory. And perhaps unnerved by all the television coverage they have received, voters in the weather-vane seat

of Bolton East broke with their tradition of supporting the winning side by returning a Labour MP. Labour also had the satisfaction of seeing its position on Manchester City Council greatly strengthened in the local elections, and it also seized Rochdale from the Tories.

Labour's industrial aid policies do not seem to have been a factor, however, in helping the party buck the trend in parts of the area. The vanquished in-

always cherished the belief that the mantle of Welsh radicalism once worn by the Liberals and later by the Labour Party would in time pass to them.

This belief has been rudely shattered by the Conservatives' shock win in Anglesey, the seat formerly held by Cledwyn Hughes, the retiring chairman of the Parliamentary Labour Party, for nearly 30 years; in Montgomery, always regarded as an impregnable Liberal stronghold and held for the past 18 years by Emlyn Hooson.

and in Brecon and Radnor. The big upsurge in Conservative support was also responsible for unsettling Gwynor Evans, Plaid's president in Carmarthen. Labour recaptured the seat with a majority of just under 2,000, thanks to the dramatic upsurge in the Conservative vote from less than 3,000 last time to over 12,000. It wiped out the tactical support Mr. Evans was given by Conservative voters in October, 1974, in order to oust

Set against the overall results

in Wales, the wins by Mr. Evans' two young Plaid retainments to the last Parliament were all the more impressive. Dafydd Wigley in Ceredigion captured more than 50 per cent of the vote and almost trebled his majority to 8,723. Dafydd Elis Thomas in Merioneth also increased his majority significantly.

These two results in former safe Labour seats will ensure the Welsh Nationalist flag is kept flying in Westminster.

Robin Reeves

Plaid Cymru's retreat before the Tory tide

WALE'S Plaid Cymru held two of its three parliamentary seats with substantial increases in majorities. But throughout the rest of Wales, it fared very badly indeed compared with 1974. Its vote not only fell off nearly everywhere, it was beaten into third place by the Conservatives in a number of South Wales industrial seats where it had previously been lying second, to sit way behind, Labour.

The key feature of the Welsh results was the dramatic

What savers can hope for from tax cuts and boosts to thrift

SAVERS STAND to gain in two ways from the Conservatives' win. They will benefit more than most from tax cuts; and they will also benefit from a string of specific measures the Tories are likely to introduce to promote thrift.

Sir Geoffrey Howe, who is expected to be the Tories' Chancellor, has been cagey about his timetable for cutting taxes. And given the economic constraints on him in the current year, his first Budget is unlikely to make massive cuts. But, judging by the attention the Tories gave to investment income surcharge in the manifesto and the campaign, he will probably act quickly to make at least a token cut in its tax.

As he has pointed out several times, the threshold for the surcharge was set in 1972 at £2,000 of investment income. Now, following changes by Mr. Denis Healey, most investors start paying the surcharge on any thing above £1,700 a year. If the original threshold had been indexed it would now be £4,500, so some raising of the threshold must be on the cards.

For the Tories, reducing investment income surcharge is a matter of social justice. The surcharge produces less revenue than 1p in the £ on the standard rate of income tax. Yet almost half of the burden falls on people over 65, many of them trying to stretch out the income from a life-time's savings. Often the capital comes from the sale of a small business and the taxpayer does not have an occupational pension (which, of course, would be more lightly taxed).

The Tories are keen on employee share incentive schemes: so if Sir Geoffrey is

looking for an inexpensive yet eye-catching reform, he could widen the scope of "Lib-Lab" tax incentives which took effect from last month. The Lib-Lab measures, which actually owe their inspiration to a Tory working party. They exempt employees from income tax on free share issues by employers provided the benefit per employee is not more than £500 a year and the shares are held for at least 10 years. The Tories' original suggestion was that the waiting period should be five years and transfers of up to £1,000 should qualify.

Employers have been slow to cash in on the Lib-Lab measures—only a few hundred schemes are so far off the ground with the Inland Revenue getting applications for approval at the rate of about 10 a week.

Sir Geoffrey is committed to reviving Save-As-You-Earn share option schemes, a Tory idea which Mr. Healey effectively killed off when soon after he became Chancellor he imposed income tax on the benefits.

The idea was that employees saved up to £20 a month in the Government's SAYE scheme and after five years they could use the money to buy shares in their employer's company. The share price was that which ruled at the outset. If the share price rose later, the employee would have an immediate capital gain at the end.

The Unit Trust Association has high hopes that Sir Geoffrey will remove the tax stumbling block that stops unit trusts investing in gilts. British-based unit trusts have to pay corporation tax on gilt income so savers are usually much better off investing in gilts direct.

Gilt funds based in Jersey

and elsewhere get round this problem, but offer a bigger one in that they cannot be advertised in Britain. If the tax position was improved, unit trusts would undoubtedly become major marketers of gilts and thereby help alleviate the Government's funding problems.

Another anomaly which Sir Geoffrey will under pressure to tackle almost immediately stamp duty on house purchases. House prices have doubled since the present scale of charges was introduced in 1974. Stamp duty is charged on houses costing £15,000 or more. In 1974, this left most houses exempt; now most houses cost more than £15,000. Stamp duty is particularly anomalous tax because once the trigger point is reached, the whole of the price, not just the excess above the threshold, is taxed.

The much-revered earnings rule for pensioners, which deprives them of part or all of the basic State retirement pension if they have a job paying more than £35 a week, is another candidate for early Tory action.

The Tories want to reduce the burden of taxes on capital gains and gifts but have not spelt out their proposals. Purists argue for reforming capital gains tax to make it apply only to real gains (net of inflation)—but the Inland Revenue has warned that indexing the tax would add horrendously to its already heavy workload. The alternative of "tapering" the tax (applying lower rates the longer the period in which the gain was made) would be almost as complicated.

Eamon Fingleton

THE WEEK IN THE MARKETS

The market's high hopes for the Tories

The stock market has, after all, got what it wanted—a Tory victory—and if yesterday's reaction was a little muted, well, equities have risen by over a fifth since February. This steep rise in prices is an indication of how much investors are expecting from the incoming administration.

Dividene freedom

The greatest tangible benefit that the equity market hopes to receive from the Conservative Government is the lifting of dividend controls. The party's manifesto said nothing on the subject but it has been taken as read that the abandonment of incomes policy would have its parallel in the securities markets, and this has been a powerful fuel to the market's recent rise.

The two Anglo-Dutch stocks, Unilever and Shell, are the most obvious beneficiaries, as they have considerable pent-up dividends waiting to be paid to UK residents. But a number of other companies have suggested that they would increase their dividends by a substantial amount, among them BP, GEC, Ladbroke's, Distillers and Reckitt and Colman. Stockbrokers Phillips and Drew are forecasting a 20 per cent overall rise in dividends this year if the controls are allowed to lapse.

Dividend freedom would tend to reduce the attraction of some high-yielding shares which would be unable to maintain their yield advantage over the rest of the market, because their present cover is low or, in some cases, inadequate. The distortions of dividend control over the last seven years have not been one way. Some companies have distributed more of their profits than might have been appropriate, simply because to raise the dividend by less than the statutory 10 per cent has often meant instant retribution as funds which had bought the shares for income abandoned them.

Sector by sector

The election result has important implications for a number of stock market

sectors. The brewers' share prices have been especially strong in recent weeks, and not just because of the Tories' traditional links with the "heerocracy." The intervention of the Price Commission has had a dampening short-term impact on the profitability of groups like Bass and Whitbread. Investor sentiment towards politically sensitive sectors like this—and the food manufacturers—can only benefit from a restriction of the Commission's powers.

LONDON ONLOOKER

On the other hand, a Budget is looming. Thoughts may now turn to the scale of the excise duty increases which could be imminent.

The election of a Government committed to cuts in public spending can bring little cheer to the building sector, at least in the short term. Building work represents about four fifths of all public sector capital spending. If Tory policies work, of course, lower interest rates and improved business confidence would bring substantial benefits over the longer term.

The promised switch in the emphasis of the tax burden from direct to indirect taxes will not have much net impact on disposable incomes in the short run. But the stores' share prices have been particularly firm lately—this sector is not threatened by the strength of sterling in the way that manufacturing industry is, and its prospects look above average. Profits in the retail sector could rise by roughly a fifth this year.

Two other companies are worth a passing thought: GEC and Vickers both say that the negotiations about compensation for their aerospace

interests have at last begun to show signs of life in recent months. Under the impetus of a new administration, an acceptable settlement could soon be in view.

State sell-off

There may well be a new source of equities coming on to the stock market in the coming months—the Tory Government. There are financial as well as doctrinal arguments in favour of selling publicly owned assets back to the private sector. The new Government will need all the help it can get in raising its borrowing requirements, and its room for manoeuvre would be usefully increased if it could offer investors a choice of equities as well as gilts as part of its funding programme.

The Conservative manifesto stated that the powers of the National Enterprise Board would be restricted solely to the administration of the Government's temporary shareholdings, to be sold off as circumstances permit. It is a good bet that the Fairly engineering group (profits of £5.2m) will be among the first to come under the hammer, followed perhaps by the State's 50 per cent holding in Ferranti and 25 per cent stake in ICL. But for obvious reasons, BIL and Rolls Royce will probably stay in the public sector for years to come.

The manifesto also said that the Tories would offer to sell back to private ownership the recently nationalised aerospace and shipbuilding concerns—which may be a lot easier said than done—and that shares in National Freight Corporation would also be sold to the public. But NFP's may well be a much more saleable proposition in a few years' time, when its profits should be significantly higher than at present. The same applies to British Airways, which is another candidate for the auction.

Then there is British Sugar (a holding of 24 per cent) and BP, where the State's 51 per cent holding is currently worth about £2.4bn. The Tories have said nothing about the future

of the BP holding—but it is perfectly possible that they could sell part of this as well.

Gilt-edged

Like equities, gilt-edged have been rising for some time on the strength of an anticipated Conservative victory and most of the excitement may now be over. The market now has to see whether the Tories can deliver the goods. Long yields of no more than 12 per cent are probably already discounting a two point fall in Minimum Lending Rate to 10 per cent, and that is unlikely to come overnight.

Interest rates have been kept high because of high public sector borrowing and, more recently, official concern at the strength of private sector loan demand. The Tories' determination to reduce the budget deficit is not in doubt, but they will find it almost impossible to make much of a dent in 1979-80, particularly if income tax is to be cut. Equally, demand for bank credit does not seem to be dying down, and the Bank of England is likely to go on opposing a fall in rates which might threaten the monetary growth targets.

The gilt-edged market will naturally be hoping that the Conservative victory will be good for foreign confidence in sterling, as the firmness of the exchange rate has been an important support for gilts over the past two months. For equities, of course, the exchange rate is uncomfortably high. At the moment it looks as though gilts may remain firm—if without spectacular gains—through the summer; the first real test may be the 1979-80 wage round, which, incredible as it may sound, starts a mere four months from now.

Dollar premium

Against a peak of nearly 50 per cent earlier in the year, the effective investment currency premium (the extra cost of investing abroad) has fallen back to 23 per cent. The Conservatives are known to be unhappy with the distortions

thrown up by exchange controls and there is a possibility that the premium could be abolished.

However, most of the dealers in this professional market are sceptical (publicly, at least) that the premium will disappear in the short term. Robert Fleming's, John Galvanone (the market guru), thinks the Tories will relax controls on direct foreign investment first and not touch portfolio controls for at least a couple of years. He believes the "right" range is between 20 and 30 per cent. The new Government will be alerted by the civil servants to the risks involved in abolishing the premium if they are not already aware of them. The combined capitalisation of the gilt-edged and equity markets amounted to about £250bn compared with Britain's foreign exchange reserves of £20bn. If institutional money started to flee the country in any volume following the abolition of the premium, sterling would come under heavy pressure. This is a risk few politicians would be prepared to take.

Rhodesian bonds

Ever since the Rhodesians declared UDI in 1965, the rogue State's bonds have been a punter's dream. Every rumour and counter rumour about the chances of sanctions being lifted leads to a nervous twitch in the prices of the dozen hoods outstanding (with a nominal value of £54m).

Although the Rhodesians claim to be servicing their debt normally, U.K. investors have been unable to receive interest payments and half of the bonds are now overdue for redemption. Roger Abraham of Simon and Coates, who has made a speciality of researching this colonial backwater, reckons that by the end of this year the total arrears of capital and interest will amount to £20m. Since the beginning of the year the price of the most marketable stock, Southern Rhodesia 3½ per cent 1965-70, has crept up from £52 to £70 and if sanctions were lifted tomorrow Mr. Abraham reckons that an investor would get £111 plus a bit of compensation perhaps for loss of interest.

Obviously, the key to realising the potential in Rhodesian bonds is the lifting of sanctions and the election of a Tory Government means that there should be a better chance of a settlement. Mr. Abraham believes that the hoods still have a long way to go if sanctions are to be lifted.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM APRIL 5

Sector	% Change
Mining Finance	+11.9
Merchant Banks	+11.6
Food Retailing	+10.9
Hire Purchase	+9.3
Miscellaneous (Financial)	+9.0
Engineering Contractors	+8.0
All-Share Index	+5.1

THE WORST PERFORMERS

Discount Houses	+1.6
Overseas Traders	+0.3
Pharmaceutical Products	+0.1
Office Equipment	-0.3
Toys and Games	-3.5
Insurance Brokers	-4.0

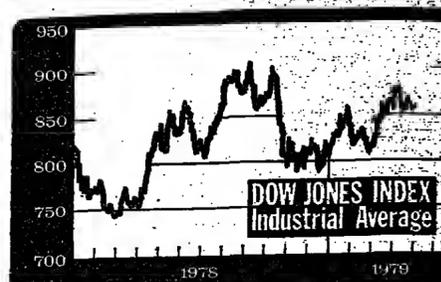
Energy gaps

MANY OF US have mental lists of people we glad we are not. Topping my unfortunate unpopularity list at the moment are Mr. William G. Kuhns and Mr. Herman Dieckamp. Not names, it is true, which bring an instant spark of recognition but senior executives of U.S. electric utility companies are not men who have traditionally bogged the corporate spotlight. As a breed they tend to be very solid citizens, churchgoers many, good husbands and fathers. None of them would have recognised themselves or any of their colleagues in the depiction of the electric company chairman in the current cash-churning popular success, The China Syndrome. For those who have not seen the film this malign character connives in the death of Jack Lemmon who plays an employee in a nuclear power plant who is convinced that its operations are unsafe.

It would have to be a very good film indeed to do justice to the dramatic difficulties of Messrs. Kuhns and Dieckamp, Chairman and President respectively of General Public Utilities. Until March 2 this was a utility holding company whose fame did not spread much beyond its stockholders and the 4m consumers of its electricity in Pennsylvania and New Jersey. GPU's misfortune was to be the owner of the Three Mile Island plant at Harrisburg, Pennsylvania, whose name has become synonymous with the possible perils attached to the nuclear generation of electricity.

Unfortunately for Wall Street Three Mile Island has caused a backwash of investor concern which has hit the stocks of all 207 investor-owned utilities in the U.S. Essentially, these are companies which enjoy monopolies in their particular areas which are consequently closely regulated by Federal and State bodies. Most important is the fact that their pricing policies are entirely subject to the approval of local public utilities commissions, some of which are elected, some appointed but virtually all of which are anxious to avoid public unpopularity which comes from granting utility requests for rate increases.

GPU has been telling the Pennsylvania Public Utilities Commission this week that if it can line up an extra \$400m of bank credit and if it can pass on to consumers the cost of replacing the energy not being produced at Three Mile Island. This is running at around \$10m a month and GPU is hoping to elect before long the Pennsylvania regulators will prove accommodating. They have not been too helpful since the accident and recently rescinded part of two previously granted rate increases that had been pre-



DOW JONES INDEX Industrial Average

NEW YORK

JOHN WYLES

dicted on Three Mile Island being fully operational. There are two units there and while one of them was not damaged it has been shut down until problems and questions raised by the accident are resolved.

GPU's problem of securing rate increases from an unsympathetic commission is one which is shared by virtually all utilities around the country. Electric charges are political issues in dozens of communities and on average it can take a utility 10.8 months to secure a rate increase from the time it files its request.

Many utilities are very bumpy for rate increases to help fund the large capital construction projects on their drawing boards—many of them plans for

nuclear plants. As a result they are formidable consumers of capital, both through equity issues and in the bond market.

In the first quarter of this year utilities issued 14 common stock issues which raised about \$300m. Bull even before Three Mile Island they were selling into an unfriendly market. General stock prices, it will be recalled, made a modest advance last year. Standard and Poor's 400 industrials advanced nearly 2.5 per cent but utilities, by contrast posted a 12 per cent decline. Their share prices tumbled most heavily in the final quarter because, says Mr. Robert Papp of the brokers L.F. Rothschild, Unterberg, Towbin, of the steep rise in interest rates in the final quarter.

While other stock prices may tremble at interest rate increases, utilities can be brought to their knees because about 50 per cent of their total debt is in fixed income securities. Partly for this reason, utilities have traditionally been relatively high yielding stocks and last year their average yield rose from 7.6 per cent to 9 per cent at year end and 4 per cent better than the S and P 400.

Investors were obviously worried about the financial environmental and political problems bearing down on

that Ford is probably sourcing half its vehicles from European plants to understand why demand has fallen so badly.

Edgar Allen is probably operating at only 75 per cent of capacity at present, against a trough of some 55 per cent last year, and while increased demand from the aerospace industry (through Rolls-Royce) has boosted orders for high alloy steels, the problems of high import penetration have not been solved.

Mr. Graham Wise, the managing director, brought in to reorganise the entire group structure in 1977, calculates that total steel consumption of high speed and tool steels amounted to 24,000 tons five

years ago, of which imports accounted for less than 15 per cent. Today he points out that consumption has fallen by 50 per cent and imports hold some 35 per cent of the reduced market.

Labour relations, as the group admits, have been particularly bad. "We inherited the problem," the chairman points out, "when we acquired Balfour Darwins in March 1975." The 10-week strike which followed the closure of Balfour's Capital Tools division in 1977 cost £22m and started the decline in good labour relations.

One of Mr. Wise's principal tasks was to heal these deep wounds. The group now claims to hold much more extensive consultations with the Confederation of Shipbuilding and Engineering Unions "telling them the facts." It is the way Mr. Wise puts it and the group now believes that this closer partnership is bearing fruit. Some 270 employees in the special steels division went last year—a further 100 were made redundant in forgings—and in vivid contrast to the bitter deadlock at Capital Tools, this pruning has been achieved after just "a few swiftnesses." Special steels now employs 517 people and Wise wants to get the total down to 780 this year. He does not foresee any particular dim-

culties with the remaining redundancies. The pruning knife has also been wielded over the capital investment programme. "At this stage of our affairs," Mr. Oakley concedes, "there must be a curtailment in capital investment. We must see that the spending over the past four years pays off first."

Of the £5m expenditure in new plant over that period, the £2.25m GFAM long forging machine which came into operation last year and the £2.75m Devy Lowey press at George Turton, Platts in the forging division completing commissioning this summer, are expected to play a considerable part in any recovery. The GFAM machine, with shorter lead times, a wider product range and the elimination of intermediate steel processing operations was primarily responsible for the elimination of third quarter losses in the special steel division while the new press is anticipated to widen Edgar Allen's share of the growing aerospace market.

Prospects for prices are also improving. Special steels prices rose 5 per cent last October and the board is confident that as the dominant German competition begins to feel the effect of higher energy costs, a similar rise can be put through later this year.

CLOSING PRICES

Monday	\$54.90	-1.74
Tuesday	\$55.51	+0.61
Wednesday	\$55.51	
Thursday	\$57.59	+2.08

COMPANY PROFILE

EDGAR ALLEN, BALFOUR

RAY MAUGHAN

The table lists market changes since March 2 when the rebuffed devolution proposals for Scotland and Wales precipitated Thursday's general election.

Index	% change	high	low
Ind. Ord. Index	+15.3	558.60	444.10
Govt. Secs. Index	+6.3	75.91	64.64
Gold Mines Index	-6.8	183.80	129.90
Building Mats.	+24.7	248.36	195.11
Contracting	+25.5	451.74	323.88
Electricals	+18.6	698.53	518.81
Eng. Contractors	+16.6	429.70	338.08
Mech. Engineering	+14.4	211.07	171.47
Metals, etc.	+17.2	192.29	153.60
Electronics	+20.9	348.68	253.08
Household Goods	+12.4	179.04	157.33
Motors & Dist.	+13.3	135.66	108.48
Breweries	+30.7	306.13	220.79
Wines & Spirits	+9.4	347.53	279.15
Ent. Catering	+25.3	374.32	266.58
Food Manuf'g	+11.6	236.75	193.52
Food Retailing	+30.8	331.74	223.66
News, Publishing	+21.1	486.06	366.08
Packaging, Paper	+8.0	155.12	128.90
Stores	+31.5	273.48	186.40
Textiles	+7.3	191.07	168.59

U.K. INDICES

Index	% change	high	low
Tobacco	+7.6	279.81	234.27
Toys, Games	-4.9	96.89	87.29
Chemicals	+11.0	329.77	268.31
Pharmaceuticals	+7.9	274.02	230.45
Office Equipm't	+11.7	150.53	120.36
Shipping	+12.0	474.52	402.10
INDUSTRIAL GRP.	+18.3	273.01	209.35
Oils	+28.6	704.23	497.67
500 SHARE INDEX	+18.7	308.20	237.06
Banks	+15.0	265.89	195.51
Discounts	+15.8	270.67	204.48
Hire Purchase	+19.0	204.05	152.69
Insurance (Life)	+32.6	179.94	126.08
Insurance (Comp)	+20.4	157.45	115.27
Insur'ce (Brokers)	+3.5	334.12	293.37
Merchant Banks	+30.7	108.74	74.91
Property	+16.4	375.00	267.26
Investm't Trusts	+15.7	247.55	202.36
Mining Finance	+19.2	149.04	101.26
Overseas Traders	+9.2	377.45	292.50
ALL-SHARE INDEX	+18.2	283.82	218.89

Let's keep our feet on the ground

CHEERFUL conditions in the metals markets, both base and noble, coupled with a Conservative election victory which is doing no harm to investment confidence, may well warm the hearts of mining shareholders on this chilly spring weekend. And, indeed, well it might, but it is worth keeping things in perspective.

The change of UK Government may have only a limited effect on mining investment. Most of the companies are, of course, based overseas and for them the most important change could be a speedier removal of the investment dollar premium on share prices which was due to go sooner or later anyway.

No UK Government has paid special attention to the overseas tax and other problems of the UK-based concern, despite the fact that they can be said to play a major role in safeguarding the country's vital lifelines of raw materials. There is no reason to suppose that the new Government will be very different from the others in this respect.

£373.1m (£30.9m) which goes against only £29.5m a year when the company's U.S. aluminium plant was closed. A 300 per cent rise in first quarter earnings to \$21m (£10.1m) has been reported by America's Kennecott copper giant which expects the full year's result to be the best since 1977. The Connecticut-based Texasgulf has made a first quarter \$22.3m, equal to 81 cents per share against 27 cents in the same period of 1978, and reckons that the year's total could be double that of 1978.

From Australia, MIM Holdings has announced an advance in its third quarter profits to A\$39.99m (£21.32m) which compares with A\$13.5m in the same

MINING

KENNETH MARSTON

period of 1977-78. And Cominco Rietveld of Australia has forecast "a healthy increase" in this year's earnings, pointing out that prices for its copper, lead and zinc are from 30 per cent to 50 per cent above the averages for 1978.

But let us pause for a note of realism which has been sounded this week by Mr. John Du Cane, chairman of Selection Trust. He has pointed out that despite their share recovery, prices in real terms of copper, and other base metals are still well below those of 1974. The danger is that overseas politicians may be tempted into looking upon the sharply improving earnings of the mining companies as "windfall profits" and will tax them accordingly. It has happened before, notably in Canada. If it happens again, warns Mr. Du Cane, the rest of the world will pay the price. Mines do not last for ever and the companies need to rebuild their financial strength in order to invest in new mineral ventures. "There are no shortages of base metals in

the ground, but huge sums of money are required to find, mine, smelt and refine them," says Mr. Du Cane.

Already, the lack of new investment in mining operations over recent years points to "serious shortages of several kinds" developing in the 1980s if there is an upsurge of investment in capital goods. As it is, metals prices will have been a good deal higher than those we are seeing today if there is to be a major new investment in the high cost of mines that will be needed.

Meanwhile, Selection Trust is heading for a much more prosperous year but "the return on our total assets is still somewhat low because they include a large element representing new developments which have not yet reached the operating stage, and certain of our share investments... have given us so far only modest dividend income."

Clearly, any lifting of UK dividend limitations is not going to lead to any undue loosening of this group's purse-strings. Meanwhile, the shares give a lower than average return than those of the other UK mining finance houses. They still find buyers, however, possibly because of Selection Trust's strength in new mining prospects and its 8.3 per cent stake in Amax. "North America's greatest mining company," in the opinion of Mr. Du Cane.

It was barely \$2 at the beginning of this year.

South Africa's Anglo American Gold Investment, the market, he feels can comfortably absorb the supplies which have been recently reduced by the lower amounts offered at the monthly U.S. Treasury auctions and Amgold is heading for a good year.

Its half-owned Greenvale nickel operator is still plagued by heavy debts and Metals Exploration is a long way from the dividend-paying stage. But at 60p the shares offer a stake in the long-awaited recovery in Greenvale's fortunes which are also being given a lift by the buoyant market for its cobalt by-product.

Finally, a word about gold which comes from Mr. J. Ogilvie Thompson in the annual report of South Africa's Anglo American Gold Investment. The market, he feels can comfortably absorb the supplies which have been recently reduced by the lower amounts offered at the monthly U.S. Treasury auctions and Amgold is heading for a good year.

TIN OUTPUTS COMPARED

Country	March 1979	Feb. 1979	Total 1979	Same period previous year
March, Feb. 1979	1979	1978	(month)	year
Amal. of Nigeria (tin)	184	1,603	(11)	1,827
Amal. of Nigeria (columbite)	23	281	(11)	193
Aokam	146	1,137	(9)	1,204
Ayer Hitam	183	1,690	(9)	1,288
Berang	208	2,784	(11)	4,919
Bisich Jantar (tin)	6	3,192	(11)	362
Bisich Jantar (columbite)	6	381	(11)	387
CRM Sri Timah	67	684	(11)	1,401
Ex Lands Nigeria	6	27	(2)	52
Gohang	106	1,092	(12)	1,067
Lower Perak	9	26	(2)	47
Gopeng	162	1,571	(9)	847
Idris	24	21	(3)	58
Kamunting	35	492	(12)	484
Kluang	23	17	(2)	357
Kinta Kelas	33	34	(4)	500
Kuala Kampar	13	16	(2)	328
Lower Perak	13	17	(1)	294
Malayan	234	246	(9)	1,972
Penang	122	118	(7)	1,189
Pengkalis	12	4	(1)	52
Petaling	162	130	(6)	562
Rahman	7	67	(9)	651
Sungai	12	17	(2)	219
St. Piran—UK (South Crofty)	247	2,282	(12)	2,319
St. Piran—Thailand	78	91	(12)	1,078
Southern Klata	145	128	(12)	1,723
Southern Malayan	170	174	(9)	1,563
Sungai Best	186	203	(12)	1,917
Tanjong	13	12	(1)	35
Tongkah	18	14	(3)	

FINANCE AND THE FAMILY

Handwritten note: *John Phillip 150*

Units and tax credit

BY OUR LEGAL STAFF

Can a taxpayer whose highest rate of tax is basic rate always use the tax credit issued by unit trust managers in respect of income and accumulation units to reduce the income tax payable on his total income and, if not in what circumstances may this be done?

Yes: section 86(4) of the Finance Act 1972 says that a UK private investor "who is entitled to a tax credit in respect of a distribution may claim to have the credit set against the income tax chargeable on his income under section 3 of the Taxes Act or on his total income for the year of assessment in which the distribution is made and, where the credit exceeds that income tax, to have the excess paid to him."

A French wife's tax

I am contemplating marriage with a retired French civil servant in receipt of a pension. She owns a house in France and will continue largely to reside there and will retain her French nationality. I own the house in which I live in England. Could you tell me what will be the prospective wife's tax position? Your wife will almost certainly be regarded by the UK tax authorities as resident and ordinarily resident in the UK, but domiciled in France (unless she does not set foot here). However, article 19(2) (a) of the France-UK double taxation convention of May 22, 1968, should exempt her French Government pension from UK

tax: you should mention this to your tax inspector when telling him of your marriage and asking for the special tax return form (11K) designed for, among other people, English-domiciled husbands of overseas-domiciled wives.

If your wife has other sources of income (for potential capital gains), and will be regarded as resident in France by the French authorities but as resident in the UK by the UK authorities, you might like to look at article 3(2) of the double taxation convention, to see whether she may be treated as though she were resident in France only. In a local reference library, you should find a copy of the France-UK double taxation convention. In, for example, volume 5 of the British Tax Encyclopedia or volume 7 of Simon's Taxes.

National Savings withdrawals

A friend has substantial investments in National Savings certificates and in the National Savings Bank. She wishes to withdraw these in order to buy a flat, but is unable to do so owing to the continuing strike by Government computer operators. Can she take legal

action to obtain her money, or, if she obtains a bank loan until the strike is over, will the Government foot the bill for interest?

We think that your friend should write (by recorded delivery service) to the National Savings Department Informing the Director of her pressing need for the money and of the consequences of non-payment in terms of her having to borrow at interest. She may then be in a position to claim for an interest incurred on a bridging loan if that becomes necessary.

An action of multiplepointing

In my father's will made under Scots law, there is a disputed paragraph, part of which reads as follows: "All my estate... to be divided equally between my son Michael X, and my two daughters." Taking into consideration the use of the word "between" in its Scottish context which is only applied to two parts, in this case the son being one part and the two daughters comprising the other, and the comma directly after "Michael X," should the son have received one half of the estate and the daughters each a quarter, or should all three have inherited equally? In the event of the executors my sisters and the solicitors who acted as agents for the estate, having interpreted the will to my disadvantage against whom should I direct a claim, the solicitors or the executors? In our opinion it is well settled

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

and beyond dispute that the working adopted in your late father's will has been correctly interpreted by the executors acting for the beneficiaries. There is considerable legal authority for this view about which any solicitor could advise you in detail. In short the placing of the comma after your name and the adoption of the form of the survivorship destination is liable only to per capita division.

In regard to your other query, should you quarrel with this view a claim would require to be directed against the executors. If there was substance in such an interpretation as you place on the will the appropriate course for the executors to adopt would be to raise an action of multiplepointing, which is a form of proceeding peculiar to Scotland which enables the Court to determine claims which are competing and arise from the interpretation of a testamentary writing.

A rate return form

The local inspector has sent me a rating return form (VO 7161) which has six sections (some divided). I cannot see what right an inspector has to some of the information requested, or how it is supposed to assist in deciding a rateable value. Is this a bureaucratic trap? If it is, who is responsible for allowing this form to be used? What questions is one obliged to answer? The return form to which you refer will have been sent out under the power conferred by Section 82 of the General Rate Act 1967, and probably refers to that authority. You are obliged, under penalty for default, to complete the return. However, the requirement of a return of information "reasonably required" for compelling the valuation list; so that wholly extraneous questions would not be proper.

Household refuse

I own one of a number of chalets, as to which, until last year, refuse collection was made by the local authority as part of the normal service, and paid for out of the rates. Now, however, the authority are claiming that under Section 73 of the 1936 Public Health Act they are empowered to make a reasonable charge for the removal of trade refuse. Since the chalets are designated as holiday homes, any refuse which accrues is not considered normal household refuse. Do you think this is correct? We think that the local authority is incorrect. In *Westminster v. Gordon Hotels Ltd.* (1900) 2KB 30 refuse from a hotel was held to be house refuse, not trade refuse: the test applied being the nature of the refuse, not the use of the premises from which it originated. The local authority is obliged to charge for the collection of all trade refuse—but we think the refuse from your chalets is house refuse.

Uninsured car claims

ALTHOUGH THERE ARE a number of single vehicle motor accidents, the great majority of road accidents involve two or more vehicles, and insurers' long term experience of handling claims that arise from these accidents is that in most cases both, or all, the motorists involved are in some degree to blame.

Take even the case of the stationary parked driverless car which is struck by a passing vehicle. At first sight the aggrieved owner may appear to be able to say that the accident was in no way his fault because a stationary car does not get up and hit anything else; but the precise circumstances do need to be examined before we can give him a clean bill of health. What if the car was parked badly in a narrow street so that if a policeman had happened to come along he could have prosecuted for obstruction? What if the car was left unlit on an unlit road? What if the car was left on a bend in a thick fog? and so on.

So in most two- and multi-vehicle accidents, even those involving parked stationary driverless cars, it is arguable that both or all motorists were in blame. As the lawyers have it, if no one has been negligent the matter is one of contributory negligence: once this is accepted, in the particular case it is all a matter of percentages.

Take a simple crossroads collision: assume the roads are of equal importance, vision is unobstructed and two motorists travelling at similar speeds

collide in the middle, neither heading the other. Prima facie each is equally to blame and at first sight the percentages are 50/50.

Alter the facts just a little: one road is more important than the other and the minor road there is a "give-way" sign: here the motorist on the more important road is prima facie less to blame and the percentages might be in the range 33/66 to 25/75, but it is unlikely that he will be completely blameless.

INSURANCE

JOHN PHILIP

Negligence, contributory negligence, and the infinite variation of percentages one against the other, are for motor claims stuffs part of the daily routine of handling around two million motor claims a year. For the individual motorist unlucky enough to have his statistically predictable accident every sixth or seventh motoring year, arguments over negligence and contributory negligence can be very vexing and detailed discussion on percentages even more trying.

This week I was asked to help a friend involved in a collision on a large roundabout which enables traffic from six roads to intermingle. Comprehensively insured with a £25 damage excess he had put his insurance repair claim to his own insurers

and had no problem on that score, for the lion's share of the £200 odd repair bill had been paid. But he was of course left £25 out of pocket by reason of the policy excess and he had had to hire a car while his own was under repair and this had cost him £75.

One hundred pounds down, my friend was anxious to get this out of the other motorist's insurers, particularly as his own insurers had made the continuance of his full NCD after next renewal conditional on his full recovery of his uninsured losses. Incidentally, this kind of action is not unusual. While strictly continuance of NCD depends on the motorist not claiming, insurers are often prepared to allow its continuance provided the motorist can show that he was free of blame. And how better can he do this than by recovering his uninsured losses in full from the other motorist's insurers?

This, of course, in most cases is a much more difficult task than simple words suggest. Seldom do two colliding motorists agree on circumstances, so the insurers who are handling the liability claim for uninsured loss are faced with a conflict of evidence. If the two motorists disagree, one way of resolving the disagreement is to see what independent evidence witnesses can provide—but so often, perhaps in the majority of vehicle collisions, either there are no witnesses, or none who will admit to having been witnesses: in the absence of witnesses the damage the vehicles have

sustained, the repairs' and engineers' reports, if any, on the direction of impact may be corroborative of one motorist's version or the other.

In short, to make a claim for uninsured losses against the other motorist's insurers it is essential to assemble a weight of evidence sufficient to convince the cynical, worldly-wise, claims handler who, so to speak, has seen it all very many times before.

For the average motorist, to get his claim off the ground, is a daunting task. He can of course consult a solicitor and get expert legal help, though this does cost money: the larger the amount at stake the more necessary is this course and certainly if there is any element of personal injury as distinct from property damage then there is no other sensible way.

But for smaller damage claims the motoring organisations run legal departments whose task it is to help members, while the motorist who arranges his insurance through a broker may well be able to get the broker to put his claim forward against the other insurer's though it is a task than simple words suggest. Seldom do two colliding motorists agree on circumstances, so the insurers who are handling the liability claim for uninsured loss are faced with a conflict of evidence. If the two motorists disagree, one way of resolving the disagreement is to see what independent evidence witnesses can provide—but so often, perhaps in the majority of vehicle collisions, either there are no witnesses, or none who will admit to having been witnesses: in the absence of witnesses the damage the vehicles have

But before you say this is unfair, remember that there are two sides to every argument, two sides to every collision. If insurers were too readily to pay claims made by "third party" motorists where liability is in dispute then we should all have to pay very much more for our motor insurance.

Valuation of shares

I am executor and residuary legatee under my late mother's will. Some shares owned by my mother were quoted "ex-dividend" at the date of her death and therefore the amount of the dividend was included in the value of the estate for probate and charged to CTT. The Inspector of Taxes is now attempting to include these dividends (received by the executors after the date of death) as part of my mother's income in the period up to her death and charge Investment Income Surcharge thereon. I read your answer re Estate Bank Interest on July 1, 1978 to

mean that S 430 excludes such items from this surcharge. 1—Am I correct in my interpretation above? 2—The shares have now been transferred to the residuary legatee. What please is the acquisition value for CGT? The value according to the "one quarter up" rule or should the pending dividend be included, as for probate? 3—Should shares be sold within 12 months of the date of death for less than the probate value. I understand that CTT may be adjusted. Is the acquisition value for CGT also adjusted so that neither

gain nor loss occurs? 1—The tax inspector is wrong but not because of section 430. If he did not realise his mistake upon receiving your notice of appeal, the quickest way to resolve the point is to ask him to refer the question to his superiors—and to go over his head if he ignores you. 2—The legatee's acquisition value for CGT is whatever value was placed upon the shares themselves for CGT (by virtue of section 26 of the Finance Act 1965, as amended by schedule 12 to the Finance Act 1975); this would normally be on the quarter-up basis. 3—Yes, the CGT acquisition value follows the CTT value (subject to detailed rules for part disposals, etc. set out in paragraph 29 of schedule 10 to the Finance Act 1975). There will in fact be a small allowable loss for CGT, because the CTT value will be the sale price (net the net proceeds). However, no CTT adjustment is normally available in respect of sales by the residuary legatee, as distinct from the executor, so be sure you know which but you are wearing when giving instructions to the brokers: you should check the definition of "appropriate person" at the beginning of part 2 of schedule 10 to the Finance Act 1975.

UNIT TRUST AND INSURANCE OFFERS

Arbutnot Securities Limited	Page 1
Britannia Financial Services Limited	6
Gartmore Fund Managers Limited	6
Schlesinger Trust Managers Limited	7

EVERYONE KNOWS that the Income and Corporation Taxes Act 1970, Section 189, allows employees to deduct the cost of keeping a horse if it is necessary for them to travel in the course of their employment. Rather less well known are the other five horses whose gallop through the tax legislation should have resulted in equal honour and acclaim, but somehow failed to catch the public's imagination.

These other five were yearlings bred by Lady Zia Werneher, in a stud farm which she ran as a trading enterprise. She was quite prepared to pay tax on its profits, but she and her Inspector of Taxes, a Mr. Sbarke, were unable to agree how those profits should be calculated.

There would have been no difficulty had she sold her five young horses—she would have brought the sale proceeds into account when striking the balance of her profit or loss. But these five were not sold; they merely transferred them to her own racing stables, training and racing being activities regarded not as trading but as hobbies and therefore outside the scope of tax.

The case of *Sharkey v. Werneher* went to the House of Lords in 1966, and is still the leading authority where traders take goods out of their businesses for private use or consumption. Lady Zia had claimed that her taxable profits should be calculated by crediting an amount equal to the cost of breeding the horses: she would thus have shown a break-even position, and paid no tax on the transfer. Mr. Sharkey contended that the animals' open market value should be brought in, and he won.

Whenever a proprietor, whether sole trader or partner, takes goods off his shelves, their market value must go into the accounts he submits to the Revenue. The farmer's "home consumption" of milk, eggs and potatoes are archetypes—and though most farmers would slyly admit that they live off the fat of the land, their accountants would admit that being sly is not the same as being tax-free.

But Lady Zia's horses galloped further than that. The principle of bringing in market value now extends to a wider range of our trader's transactions. Wherever and whenever a deal is done at a very odd price, the taxpayer is in

What goes up must come down

The courts considered, in 1963, some share dealing transactions which had taken place in early 1959 between members of a group of over 100 companies dealing in securities. One of these companies, Petrolin Securities, sold government stocks with a quoted price of £835,000 to another group company, Ridge Securities, the price at which the parties agreed to sell and buy being £205,000.

Petrolin claimed a repayment of tax by reference to its "ins." It was given short shrift by the courts. Lord Denning's comment was forthright. He said that the Sharkey decision "applies to any case where a trader may for any reason choose to give things away or throw them into the sea. So when he puts securities through his books at a derisory price, the figures are to be regarded as struck out for tax purposes; and in their place you must put in the market realisable value at the time."

One of the points which adds interest to the Petrolin case is that the courts were also able to consider and decide whether the price submitted for Petrolin's sale should also be put to as Ridge's acquisition cost. They reached the commonsense answer, based on the facts found by the Special Commissioners, that the prices should be kept in line with each other.

Sharkey will substitute prices in transactions found not to be part of a trade; the most vulnerable transactions are those put through at a price an odd as to invite the epithets "colourable" or "fraudulent." But some transactions entered into for genuine trading purposes may look strange and unusual, without this opening them to challenge. Similarly transactions of the "loss-leader"

TAXATION

DAVID WAINMAN

danger of having it said that it was not any trading reason which determined that price.

This is a question of fact; but assuming that it is decided that the transaction is outside the ambit of the trade, then the Sharkey rule applies. If the trader is transferring goods out of his trading activity, their exit value for tax purposes is market value, if that is what he is doing in bringing goods into his trade, the Revenue may well refuse to accept that that is the proper shape of the transaction; unless of course he is willing to bring them in at a price no higher than the market would justify.

Special Situations

ELECTION RESULT!

Schlesingers believe that the Conservative government will have a strong, beneficial effect on stockmarket sentiment not only short-term, but also over the next year.

Schlesinger Special Situations Trust—unit price up 70.8% in 17 months

This trust was the top performing U.K. invested unit trust in 1978. Although short-term performance is not necessarily a guide to future growth, since its launch in November 1977, the unit price has risen 70.8% and the F.T. Actuaries All-Share Index 33%.

Special Situations can often offer excellent investment opportunities, particularly in a rising stockmarket. The trust invests in a concentrated portfolio of "Special Situations" including recovery stocks, high-yielding shares, asset situations and bid situations, and is aggressively managed for capital gain.

Whilst this concentrated fund offers scope for superior capital performance, it is likely to be volatile and investors should bear this in mind when deciding what proportion of their portfolio to invest in the trust. Any investment should be regarded as long term.

Remember that the price of units and the income from them may go down as well as up.

Special Situations

ELECTION RESULT!

Schlesingers believe that the Conservative government will have a strong, beneficial effect on stockmarket sentiment not only short-term, but also over the next year.

Schlesinger Special Situations Trust—unit price up 70.8% in 17 months

This trust was the top performing U.K. invested unit trust in 1978. Although short-term performance is not necessarily a guide to future growth, since its launch in November 1977, the unit price has risen 70.8% and the F.T. Actuaries All-Share Index 33%.

Special Situations can often offer excellent investment opportunities, particularly in a rising stockmarket. The trust invests in a concentrated portfolio of "Special Situations" including recovery stocks, high-yielding shares, asset situations and bid situations, and is aggressively managed for capital gain.

Whilst this concentrated fund offers scope for superior capital performance, it is likely to be volatile and investors should bear this in mind when deciding what proportion of their portfolio to invest in the trust. Any investment should be regarded as long term.

Remember that the price of units and the income from them may go down as well as up.

CITY OF WESTMINSTER ASSURANCE

Flexible Pension Plans

Whether you're self-employed or eligible for our Directors and Executives Pension Scheme, City of Westminster Assurance can give you an outstandingly flexible pension plan backed by a highly successful investment record.

When choosing a pension plan, it's vitally important that you should know what your options are. All too many schemes fail to cater adequately for the individual requirements of a particular person.

City of Westminster Assurance, however, has based both its Self-Employed and Director's Pension Plans on the premise that the individual comes first. Freedom of choice is a key factor in both these contracts, allowing investors real flexibility about the way they invest and subsequently draw their benefits.

Ask your broker for details of whichever plan is appropriate for you. And bear in mind that City of Westminster has an excellent long-term investment record backed up by a special reputation for original thinking in the field of pensions and life assurance.

CITY OF WESTMINSTER ASSURANCE
A SENTRY INSURANCE GROUP COMPANY
Sentry House, 56 Leadenhall Street, London EC3A 2HF

M&G OFFERS

If you require information on any of the following M&G investment services, please tick the appropriate box and we will send you full details.

GUARANTEED PROTECTION PLAN
A plan which provides up to £27,000 life cover from as little as £3 a month with inflation protection.

REGULAR INVESTMENT PLAN
An excellent way to claim substantial tax relief and build a tax-free capital sum from £12 a month.

INDEX LINKER BONDS
A lump sum investment to provide £20 a month for the National Savings SAYE Index-Linked Savings Contract.

SCHOOL FEE BONDS
A capital investment to provide for school fees (minimum £2,500).

SHARE EXCHANGE SCHEME
A method of exchanging shares for any M&G Unit Trust or Bond Fund (minimum £2,500).

DIVIDEND FUND
A unit trust for those needing a high and steadily increasing income with prospects of capital growth as well.

PERSONAL PENSION PLAN
Anyone who is self-employed or not a member of a company scheme can join in the M&G Personal Pension Plan and will obtain complete tax exemption.

To: M&G Group, Three Quays, Tower Hill, London EC3R 6BQ. Telephone: 01-626-1588.

70 MR/MRS/MISS INITIALS

SURNAME

ADDRESS

POST CODE

Member of the Unit Trust and Life Offices Association

THE M&G GROUP

Special Situations

ELECTION RESULT! Schlesingers believe that the Conservative government will have a strong, beneficial effect on stockmarket sentiment not only short-term, but also over the next year.

Schlesinger Special Situations Trust—unit price up 70.8% in 17 months

This trust was the top performing U.K. invested unit trust in 1978. Although short-term performance is not necessarily a guide to future growth, since its launch in November 1977, the unit price has risen 70.8% and the F.T. Actuaries All-Share Index 33%.

Special Situations can often offer excellent investment opportunities, particularly in a rising stockmarket. The trust invests in a concentrated portfolio of "Special Situations" including recovery stocks, high-yielding shares, asset situations and bid situations, and is aggressively managed for capital gain.

Whilst this concentrated fund offers scope for superior capital performance, it is likely to be volatile and investors should bear this in mind when deciding what proportion of their portfolio to invest in the trust. Any investment should be regarded as long term.

Remember that the price of units and the income from them may go down as well as up.

Investors of over £2,500 will receive Schlesingers Personal Investment Management Service (PIMS).

General Information: To invest, complete the coupon below today. Central rates will be sent by return and certificate. The Unit Price and Share Price are published daily in the Financial Times. Distributions will be made on 15th May and 15th November and the estimated gross yield on the current offer price of 42.7p is 12.4%. The full trust return certificate is appropriate. Interest on the trust is normally made with 7 days notice of the date of payment. A certificate of share ownership will be issued on request. A certificate of share ownership will be issued on request. A certificate of share ownership will be issued on request. A certificate of share ownership will be issued on request.

Schlesingers manage over £100 million of private, institutional, and pension funds.

To: Schlesinger Trust Managers Ltd., 710 South Street, Dorking, Surrey. If external and Evening Telephone Tel. Dorking (0300) 86441

I wish to invest £ (minimum £500)

in the Schlesinger Special Situations Trust, at the price ruling on receipt of my cheque.

I wish to know more about the Schlesinger Special Situations Trust and see the latest PIMS report.

A cheque is enclosed made payable to Midland Bank Limited.

Signature (In the case of a joint application all must sign)

PT 8/8

Schlesinger Special Situations Trust

FFI TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 11.5.79 are fixed for the terms shown:

Terms (years)	3	4	5	6	7	8	9	10
Interest %	10½	10½	10½	11	11	11½	11½	11½

Deposits and further information from the Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE8 5XP. (01-928 7822 Ext. 177). Cheques payable to "Bank of England, c/FFI"

Finance for Industry Limited

YOUR SAVINGS AND INVESTMENTS

Front-end loads stage a comeback

WATCH OUT for hidden charges if you are buying a unit-linked pension or savings plan.

Normal "accumulation" units usually bear an annual charge of 1 or 1.5 per cent.

With savings contracts, the first year's premiums usually go into capital units.

The system leads to confusion on two counts. First, the investor does not know how much of his investment is being taken out in charges unless he

sits down with his calculator and feed towels and does some involved calculations.

Second, he may well think that the capital units are invested in a different fund with different investment objectives from the accumulation units.

UNIT TRUSTS

ERIC SHORT

capital fund has capital growth as its objective and has different holdings from an income fund designed to produce high income payments.

Some life companies, notably Legal and General and Guardian Royal Exchange, have used a different and more realistic name—simply "initial units".

penses not only in administration but commission payments and medical fees.

It can meet these initial costs out of its current income and recoup them later from the premiums.

But with capital units, the life company is allowed to telescope the charges into a single initial

take-off. The value of the future charge is "discounted" in many cases at 4 per cent.

This means that for every £100 of premium, the life company deducts £32 together with the other charges and invests the rest to grow at the same rate as the accumulation units.

Investors will recognise this practice as old-fashioned front-end loading. The difference is that with traditional front-end loading the investor knew precisely what was happening.

Gamblers have had more ways of backing their electoral hunches than ever before, writes John Makinson

Thatcher backers scoop the pool

"IT'S LIKE THE Siberian salt mines over here," complained the man from Joe Coral.

The odds remained heavily on the Conservatives to the end, however, reflecting not only scepticism about the oracular powers of the pollsters but an absence of large-scale betting.

The largest bets were all on the Tories, though one bookmaker took a £12,000 bet on Labour.

The level of betting was certainly a record in money terms. But, discounted for inflation, it represents only a small rise on the 1974 elections.

1974 sweepstake. But this was mainly a reflection of Ladbrokes' decision not to advertise its election odds this time.

With odds on the Conservatives ranging between 4/11 and 1/4 there was not much to go for. A £100 bet, tax-paid, would return about £119 at 2/7.

Early in the week a wager on Labour must have looked attractive at 11/4 but, even so, the odds held steady after

Tuesday's NOP poll hinted at a victory for the Left. The odds on one or other party winning without an overall majority showed only a modest movement.

Confidence in a Tory victory was reflected in the Coral Index, the system for betting on the level of the FT Index.

But Coral executives reckoned that even so they were badly placed if a Conservative win detonated an explosion of joy on the stock market.

On the traded options market buyers had completely discounted a Labour win and were doing business at levels which many brokers regarded as absurd.

The boom was partly technical—there was a shortage of writers and jobbers wanted to keep their books balanced—but private individuals were not deterred by the discouraging noises from their brokers and bought as a punt regardless.

In the election race which had everything a sophisticated wager could be laid through Slough Estates, which is making a £20m rights issue—payable May 11. Nil paid, the issue was being quoted at a premium of 45 per cent in mid-week, with the share price trading around 180p and the conversion price at 192.3p.

After the Tories' win, is now the time to start a business? Budding entrepreneurs should study the tax advantages of partnerships over limited companies before taking the plunge, writes Eamonn Fingleton

A partnership for tomorrow's men

IF YOU are setting up in business, get the taxman to put up the lion's share of the risk capital.

You can enlist the Inland Revenue as an unwitting hacker for a new enterprise if you set up as a partnership or a sole trader.

And no matter how successful you are in your first years, on paper at least you are likely to make substantial losses.

The rules mean in effect that the taxman puts up as much as 83 per cent of the initial capital in the case of a top executive setting up on his own.

Even lower earners who paid just basic rate tax in their salaries jobs can tap the Inland Revenue for more than one-third of the start-up costs.

This privilege is not available to those who start in business with a limited company.

The result is that City experts like Eddie Ray, a partner in top accountants, Spicer and Pegler, reckon that the conventional wisdom that the first step of would-be tycoons should be to set up a brass-plate company is now out-of-date.

The penny has not yet dropped with most family solicitors who act as midwives to so many small businesses, however.

In many cases they still recommend the limited company route without a second thought.

In any case, thanks to generations of conditioning, budding entrepreneurs aspire to limited company status in much the way small boys yearn to wear long trousers.

Ray, who advises many major stockbroking and solicitors

practices on the tax aspects of partnerships, reckons that for small businessmen the tax advantages of setting up as a sole trader or a partnership now often heavily outweigh the disadvantages.

There are, of course, many risks: traders where trading in your own name probably still does not make sense.

Companies have the advantage that profits up to £50,000 a year are taxed at a flat rate of 42 per cent, whereas sole traders and partnerships suffer up to 83 per cent on the top slice of their earnings.

He reckons that with reliefs for mortgage, pension and so on, a husband and wife partnership need to be making profits of nearly £30,000 a year before a company would be a better bet from a tax viewpoint.

And profits made in a company, of course, are in any case less valuable than money in your pocket—because they cannot usually be tapped without paying further tax.

The new tax rules, which came in last year, mean that someone setting up on his own or in partnership making a loss in any of the first four tax years in business, may take that loss back against his earned income in the three preceding tax years.

He points out that the advantage of limited liability you get by trading through a company is often a mirage.

In reality it is rare for a competent sole trader to lose his shirt. He can in many cases insure against the vagaries of luck.

Ray says: "In many businesses it is often possible to see well in advance how things are going. The effect of unincorporated status is simply to concentrate the owner's mind. At worst he may have to close down a few months before he otherwise would have."

Ray, who advises many major stockbroking and solicitors

employee income of the three previous years.

While the trader's own accounts may show at profit, the tax picture may, nevertheless, be a big loss.

By contrast in a company one might find losses being carried forward because there are no profits to cover them, while, at the same time, the individual proprietor is having to pay himself director's fees (and to pay tax on those director's fees).

The opening year of any new business is likely to be less profitable than later ones. Staff, suppliers, customers and stock have to be built up. And there may be heavy initial advertising.

There is a further advantage of the unincorporated state, in what is known as the preceding year basis of assessment.

A sole trader, or a partnership, is likewise assessed each year but the assessment for any fiscal year (commencing on April 6) is based on the business profits of the last completed accounting year.

Under the new tax rules, which came in last year, mean that someone setting up on his own or in partnership making a loss in any of the first four tax years in business, may take that loss back against his earned income in the three preceding tax years.

Ray says: "In many businesses it is often possible to see well in advance how things are going. The effect of unincorporated status is simply to concentrate the owner's mind. At worst he may have to close down a few months before he otherwise would have."

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Ray, who advises many major stockbroking and solicitors

Computer in the cupboard

BRITAIN has come a long way in controlling credit since Shakespeare's warning, "neither a borrower nor a lender be."

The latest controversial measure is the 1974 Consumer Credit Act. It has taken five years to implement less than half the provisions.

Truth in lending will require lenders to state their true interest rates using official tables.

The five-year "delay" in introducing the "truth in

Poll vote or long shot?

The party returning the greater number of seats to Parliament

2/7 Conservative 11/4 Labour To win and have an Overall Majority To win and have an Overall Majority

4/9 Conservative 6/1 Labour 5/1 Conservative 9/2 Labour

01-594 5151 ext. 273 041-552 3626

Better bet Coral

Ladbrokes left the field to others

CREDIT

COLLEEN TOOMEY

Giving the true cost of credit will, for the first time however, enable many consumers to shop around and compare costs, no matter where they go to borrow money or whatever pay back system is used.

So complex is the method of working out the true rates of credit that the Department of Prices and Consumer Affairs is issuing 15 volumes of Consumer credit tables to help traders.

Regulations introduced in 1977 govern interest charges and state certain assumptions necessary to calculate in advance the total cost of credit in pounds and pence.

The advertisements by companies offering credit will not in future be noted for their brevity, either.

Number 1 cover would provide four annual stays of two weeks each at the Wellington. For a man aged 45 and his wife the annual premium is £252.12 if he pays by direct debit.

Under Number 2 the premiums drop to £214.32 by direct debit and premiums for the standard benefits are £182.16.

Reductions in premiums are available on group schemes, such as schemes arranged through a professional body.

Better still, get your employer to pay the premiums through a company health insurance scheme.

Number 1 cover would provide four annual stays of two weeks each at the Wellington. For a man aged 45 and his wife the annual premium is £252.12 if he pays by direct debit.

Under Number 2 the premiums drop to £214.32 by direct debit and premiums for the standard benefits are £182.16.

Reductions in premiums are available on group schemes, such as schemes arranged through a professional body.

Better still, get your employer to pay the premiums through a company health insurance scheme.

Money Monitor

Life at the top

Familiar names predominate in Money Management magazine's latest survey of with-profits endowment returns.

Among 25-year policies maturing in February, Standard Life's pay-out was highest, showing an average annual return of 8.9 per cent on net premiums.

Clerical Medical and General was best over 15 years, with a return of 10.9 per cent a year. And Equitable Life was best over 10 years with 12.6 per cent.

New prescription

If you need to buy your appendix out, would you want the operation to be done by a top surgeon at the exclusive Wellington Clinic in a room next, probably to an oil sheikh?

Or would you settle for the local consultant at the nearest Nuffield Nursing Home Trust clinic? Whatever the level of medical care you aspire to, the new health insurance plan from Private Patients Plan can cater for it, writes Eric Short.

The new Family Master Plan, a repackaged and simplified version of P.P.P.'s existing schemes, offers three levels of benefits—standard, deluxe and plutocratic—with premiums in match. Under the standard cover, Number 3, the benefits cover full charges in a provincial teaching hospital of the National Health Service at a Nuffield clinic, plus all fees and other treatment costs. The ceiling on benefits under this cover is £15,000 a year.

The Wellington's weekly charges are from £900 upward, charged with a London teaching NHS hospital cost of £251 per week. Add another £500 or so for fees and one can see that

Building Society Investors

Up to 13.8% equivalent to 20.7%

Building Society Investors

Up to 13.8% equivalent to 20.7%

Building Society Investors

Up to 13.8% equivalent to 20.7%

Building Society Investors

High income from Gartmore

8.38% estimated average gross yield

Gartmore High Income Trust is primarily invested in UK equities, and since its launch in 1961, it has provided a high and increasing income without sacrificing potential for long-term capital growth.

Since the Trust was launched in April 1975 the offer price of units has increased by 166.1%, compared with a rise of 102.4% in the Financial Times Ordinary Share Index. In addition ordinary unitholders have to date received a gross income of £60.31 for every £100 invested.

You should regard your investment in High Income units as a long-term one.

You can invest any amount over £200. Simply fill in the coupon or, to avoid postal delays, telephone your purchase order direct to the Gartmore dealing desk at 01-623 5760/5806.

GARTMORE

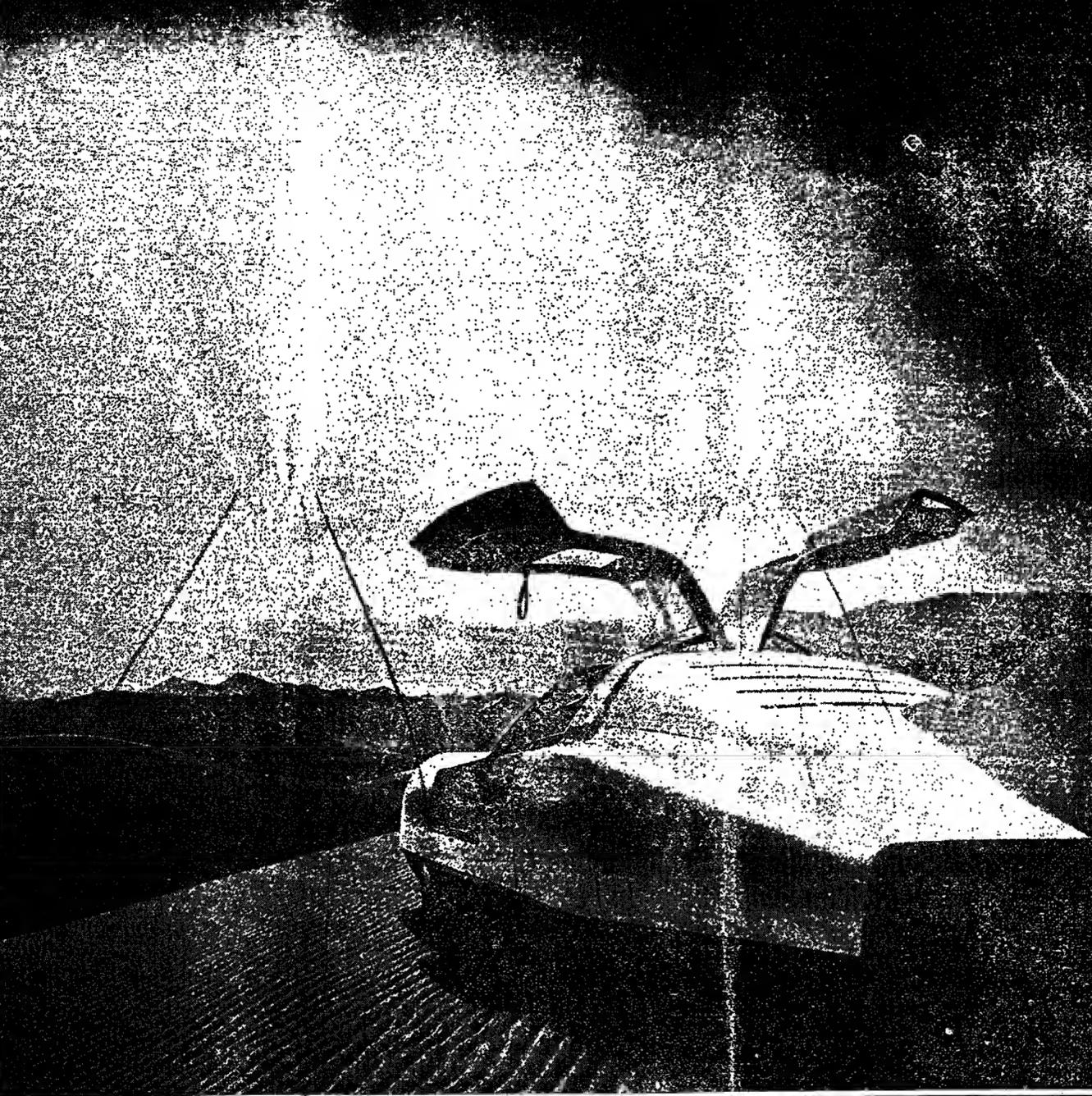
250,000,000 under Group Management

BRITANNIA TRUST MANAGEMENT SPECIAL SITUATIONS TRUST. Following the Trust's change of name from Britannia New Issue Trust and adoption of a revised investment strategy, the Managers intend to invest in 'Special Situations' in both the United Kingdom and overseas markets.

John Makinson

السؤال الثاني

SOME PEOPLE TAKE THE FUTURE OF THE DIESEL CAR MORE SERIOUSLY THAN OTHERS.



Those of you who currently own one of our diesels can already appreciate the benefits of this research.

The latest series of tests with the C111 Mk3 will lead to more improvements in the future.

What we must point out is that it will never be our intention to reproduce this design as a production model.

Cars for everyday use have to meet very different requirements. However, the engine in the C111 Mk3 is similar to the type used in the Mercedes-Benz 300D saloon but for the exhaust gas after-charging and air-intake cooling system.

And it was this engine that set nine new world records last year.

Destroying every myth about the diesel engine's sluggish performance.

On the Nardò test-track in Northern Italy the C111 Mk3 performed at speeds

ranging from 195 mph to 203 mph for four hours after four days' work.

For example, from a standing start it covered 100 miles at an average speed of 193.736 mph, against the previous best of 190.47 mph.

Another world record the C111 Mk3 set was driving 12 hours non-stop at an average speed of 195.398 mph, over 25 mph faster than the old time.

Less dramatic than our records but more significant in the long term will be the benefits our tests have on fuel consumption and the protection of the environment.

The very small turbo-charger in the exhaust gases from current Mercedes-Benz engines is the result of extremely efficient fuel combustion.

Yet they more than meet the most stringent legislation of anywhere in the

world without any loss of performance.

As the engine performance of any car increases so does the fuel consumption. Yet even at 125 mph the C111 Mk3 still averaged 14.7 miles per gallon.

The C111 Mk3 has corrected many misconceptions.

But as we said earlier the tests with the research vehicle are just a part of the programme. Today's Mercedes-Benz diesel cars already incorporate much of the technology that we are continuing to refine on the test-track.

The three models to choose from are the Mercedes-Benz 200D, the 240D and the five-cylinder 300D.



Mercedes-Benz

John Price 150

JOHN D. WOOD

Newbury 11 miles Andover 5 miles

THE WINDMILLS ESTATE

HURSTBOURNE TARRANT, HAMPSHIRE

Late 19th Century 7-Bedroomed Manor House at Great Crossways in need of Modernization and Improvement. Three-Bedroomed Lodge with Extensive Grounding Views. 55 Acres at 1 1/2 Farms and 2 Lots.

Four-Bedroomed Period Thatched Farmhouse with Farm Buildings in need of Complete Renovation with 5 Acres (Part 1st).

46 Acres of Amenity Scrub Woodland (Subject to Limited Common Rights) in 2 Lots.

21 Acres of Amenity Woodland with Sporting Rights. 228 Acres of Woodland Let to the Forestry Commission with Valuable Sporting Rights in 2 Lots.

IN ALL SOME 450 ACRES

FREEHOLD FOR SALE BY AUCTION
(unless sold privately) as a whole or in 10 Lots
ON 25th JUNE, 1979

John O. Wood, 23 Berkeley Square, London W1X 6AL
01-629 9050

John O. Wood, 2 St. George's House, St. George's Street, Winchester, Hampshire SO23 8BG (0862) 63131
or
Horberts, 24 High Street, Andover, Hampshire SP10 1NR (0264) 2402

WEST SURREY - HAMPSHIRE BORDERS

Farnham 3 miles Guildford 12 miles
London 42 miles

THE FRENISHAM VALE ESTATE, ROWLEDGE

FRENISHAM VALE TO COMPRISE: A BEAUTIFULLY SITUATED REGENCY RESIDENCE WITH 7 ACRES, Swimming Pool, Terraced Cottages, Woodland.

FRENISHAM COURT TO COMPRISE: A LOVELY QUEEN ANNE COUNTRY HOUSE WITH 27 ACRES OF GROUNDS. Detailed Planning Consent for Extension.

GARDEI COTTAGES for conversion to single residence (subject to Planning Consent) with 1.78 Acres of Garden and Woodland, Walled Courtyard.

COURTYARD BUNGALOW with adjacent buildings for extension. Just over 3 Acres.

FURTHER LOTS INCLUDING FARM BUILDING, PADDOCKS, ORCHARD, WOODED GARDEN AND WOODLAND. FROM 1/2 ACRE TO 16 ACRES THE WHOLE EXTENDED TO ABOUT 50 ACRES BY MAJORITY WITH POSSESSION.

FREEHOLD FOR SALE BY AUCTION IN 19 LOTS
(unless sold privately)

AT THE MANOR INN, FARNHAM
ON THURSDAY, 21st JUNE, 1979 AT 3.00 PM

Auctioneers:
John O. Wood, 23 Berkeley Square, London W1X 6AL
Wellar Eggar, 4 Quarry Street, Guildford, Surrey GU1 3TY 0452 7522
Wollar Eggar, 74 Castle Street, Farnham, Surrey GU9 7LP 0252 71621

WEST SUSSEX

Horsham 8 miles (Victoria 55 minutes)
Billingshurst 5 miles

A FINE LATE GEORGIAN COUNTRY HOUSE

IN AN EXCEPTIONAL POSITION

Entrance Porch, Reception Hall, 3 Reception Rooms, Kitchen, 5 Bedrooms, 3 Bathrooms, 1 en suite, Staff Quarters, Partial all-flood C.H., Gamping for 2, Outbuildings, Housed Swimming Pool, Hard Tennis Court, Paddock, Entrance Lodge.

IN ALL ABOUT 46 ACRES

FREEHOLD FOR SALE

Apply: 11 Market Square, Horsham 03074/62835/63843

PROPERTY

Doing it the Scottish way

BY JUNE FIELD

THE SYSTEM of selling residential property in Scotland is very different to that of the other side of the border. In most cases, when a property is offered for sale an asking price of "offers over" is quoted, and the sale of property has by tradition been dominated by solicitors, who have always been the men of business for the Scottish family. Only in recent years has the professional estate agency become an important part of the residential market.

This week, two estate agencies, Savills, of Berkeley Square, London, and J. T. Sutherland and Company, Brechin, Angus, announced the amalgamation of their practices. The business is continuing under the name Savills, and the partner responsible is Ian Sutherland. A new office will be opening on June 1 at 12 Clerk Street, Brechin, but until then business is going on at Bank of Scotland Buildings, Brechin.

"This amalgamation will give Savills their first office in Scotland," explained Guy Galbraith at the London office. "It is established to strengthen their estate management service and form a close link in the sale and purchase of sporting estates, houses and agricultural land. The firm will also continue their close association with John Sale and Partners in the Scottish borders."

Well equipped and double-glazed 3-bedroom bungalows set around a mill stream close to the Forth, 4 miles from Perth, are designed to appeal to the sporting lot — there is skiing at Aviemore, golf everywhere, with fishing in river, lake and sea. From £29,000 freehold, brochure Bell-Ingram, Durn, Isla Road, Perth, or Estates Manager, Wilson Properties, Heather Park Drive, Wembley, HA0 1SX.

In a recent report on the residential property market in Scotland, Bernard Thorpe and Partners, who have offices in Edinburgh and Glasgow, point out that Scotland in the past has traditionally been a nation of council tenants, but that during the last 20 years the pattern of home ownership has steadily altered, until now about one third of the population own their own homes, in contrast to England where the proportion is just over half.

Bellaber House, Strathdon, which has its own salmon fishing. The house, listed Grade B, is in 13 acres of Aberdeenshire's most attractive countryside, in an area famed for its grouse moors and deer forests.

Bellaber House was built by John Forbes of Newe in the early 1730's, and the face of the south wall reveals the warm mellow granite which is beautifully painted in "cherry ope" fashion. The accommodation, in excellent decorative order, includes two living-rooms, sun room, gun room, four bedrooms, two with dressing-rooms, and three bathrooms. There are also a pair of modern semi-detached cottages plus outbuildings, two paddocks and a strip of land along the north bank of the River Don. Guy Galbraith, Savills, 20 Grosvenor Hill, London W.1, or Ian Sutherland at Savills Brechin, Angus, are inviting offers in the region of £60,000.

Though loosely connected, they are autonomous, and vary in their services from Centre to Centre. Most have all the "goods" on display in reference books so that enquirers can come in and leaf through them at leisure without making themselves known. All the details from price to viewing arrangements are contained in the schedules, and usually copies can be obtained for the asking.

Edward Ballard, manager of the Solicitors Property Centre for South West Scotland at 86, High Street, Dumfries, explained the system: "Eventually any offer is made to the solicitor acting for the seller. This Centre is particularly fortunate in having almost 100 per cent membership of the solicitors of our region, with the exception of far West Wigtonshire. There are about 10 members comprising the partners of 27 firms. In this way almost every property coming onto their books is registered here, and therefore open to the public eye.

"Members usually compile their own particulars and value the properties by their own judgment and reference to the sale records held in this Centre, available strictly to member solicitors only. Members send in their particulars on a standard form with a photograph which we then photocopy for distribution.

"The cash flow for this Centre is derived from a single fee payable by the seller, through the solicitor, for placing the property on the books. These have just been increased, and now range from a minimum of £20 up to a maximum of £40, depending on the asking price.

We also derive a small secondary income from acting as an advertising agency for the property advertisements. Commission for sale goes to the solicitor, and is normally 1 per cent, though in some cases this can be up to 1 1/2 per cent, which is the maximum allowed. The Centre does not expect to receive more income than is required to pay its running costs. Capital expenditure for new premises or alterations is financed by member solicitors by contributions.

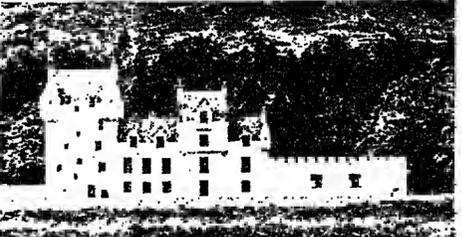
Brief details of all properties are sent out in coded form on a mailing list, and people can ask for full particulars of what interests them. Currently on the list I saw a mill house at Crossmuir, near the busy market town of Castle Douglas, over £10,000, and in the Galloway Hills, seven miles from the Solway Yachting Centre, the Hermitage (modernised) with about 13 fertile acres and farm buildings, with a price tag of £46/50,000 on it. There are also several cottages on offer at "over £5,000," which sell quickly.

Restoring castles is also popular in Scotland, even if taking on solid beaps of stone means considerable hard labour and a steady cash flow. A source of supply is the Historic Building Bureau, Scottish Development Department, New St. Andrew's House, St. James Centre Edinburgh.

The Scottish Tourist Board, 23 Ravelston Terrace, Edinburgh, will send an *Enjoy Scotland Poch* for £1.50, which includes a touring map and an information booklet wishing you *Cuid Mhàile Foille* — a hundred thousand welcomes. Try pronouncing it "cute meta foilla."



Bellaber House, Strathdon, Aberdeenshire, a listed Grade B building in 13 acres, with its own salmon fishing, is for sale through Savills, Brechin, Angus, who are inviting offers in the region of £60,000. There are 4 bedrooms, 3 bathrooms, a pair of semi-detached cottages, two paddocks and a kitchen garden with soft fruit.



Deer stalking, salmon fishing, and some grouse shooting are available on the Meggernie Estate, Glenlyon, Perthshire, in some 17,000 acres in the beautiful glens in the Highlands. The whole estate complete with modernised 16th century castle, various cottages, a farming operation and forestry, are for sale. Inquiries: Guy Galbraith, Savills, 20 Grosvenor Hill, Berkeley Square, London, W1.

Weymouth Estate Agents
Town and Country Properties—Instruments—Mortgages—Antiques
Lodestone Hill, 127 Dorchester Road, Weymouth, Dorset DT4 7LA. Tel: (0305) 78286/9.
Old Harbour House, 24 Trinity Road, Weymouth, Dorset DT4 8TJ. Tel: (0305) 74869/9.

Weymouth Estate Agents

Old Hermitage, 4 miles from the busy market town of Castle Douglas, 7 miles from the Solway Yachting Centre, includes over 13 acres of fertile land, and a number of buildings forming the steading—barn, stable and calf house. Price £46-50,000. Details Edward Ballard, The Solicitors Centre for South West Scotland, 86 High Street, Dumfries.

Thomas

ENVIABLY SITUATED IN SOUTH DORSET'S MAGNIFICENT COUNTRYSIDE

BERE LODGE, HYDE, BERE REGIS, DORSET

Weymouth 12 miles, Dorchester 12 miles, London 120 miles.

A UNIQUE, BRILLIANTLY CONCEIVED AND BEAUTIFUL MODERN COUNTRY HOUSE

(shortly to be completed to the buyer's personal refinements)

Identically set in its own secluded, sun-drenched, park-like grounds of about 3.3 ACRES giving onto 25,000 acres of forest and riding country. Originating from and inspired by the old octagonal Regency Lodge (since 1830) and extended with informed good taste and uncompromising insight to provide an interesting and comfortable home of distinction, combining the features of a Period House, rich in character but with minimal maintenance costs. The property is built of first-class materials under a selected clay peg roof.

Generous PC sums allowed for finest quality Continental kitchen fittings and bathroom suites, together with quality carpets, fabrics and carpets (our subsidiary THOMASDESIGN are authorised agents for Miele, Parker Knoll, Zanussi, Baker fabrics, etc., as a service to clients).

The easily maintained accommodation comprises:
Entrance hall with cloakroom and shower, living room with feature central fireplace and French doors to 3 sides, drawing room or dining room, kitchen, utility room, first-floor private master suite, 3 further bedrooms and second bathroom. Full all-flood central heating.
Loose boxes. Tack rooms. Stabling. Ample garaging.

PRICE FREEHOLD: £125,000 OR BEST OFFER

Sole Agents: Frank H. Thomas & Co., F.S.V.A., 137 Dorchester Road, Weymouth, Dorset (Tel: 0305 78286/9) and Old Harbour House, 24 Trinity Road, Weymouth, Dorset (Tel: 0305 74869)

SAVILLS

PERTHSHIRE GLENLYON ABOUT 17,000 ACRES

Perth 54 miles Edinburgh 90 miles Glasgow 80 miles

THE MEGGERNIE ESTATE

ABOUT 17,000 ACRES WITH VACANT POSSESSION.

ONE OF SCOTLAND'S PREMIER SPORTING AND RESIDENTIAL ESTATES

16th Century Castle modernised to a high standard
Secondary House and 27 Estate dwellings
Oak Forest with 68 Stags and 125 Hinds average
Salmon river extending to 7 1/2 miles with 56 Salmon average
Grouse Moor with 225 Bires average 354 Acres of Dedicated Woodland
In Hand Farming Operation with 1,200 Acres and 60 Hill Cows

SAVILLS London Office Tel: 01-489 8644
Amalgamated with: J. T. Sutherland & Co., Bank of Scotland Buildings, Brechin, Angus. Tel: Brechin 2167.

STUBLICK GROUSE MOOR Northumberland 5,491 Acres

Hexham 8 miles Newcastle 25 miles
FIRST CLASS DRIVING MOOR WITH TWO BEATS
Keeper's Cottage at 491 Acres including £2,300 p.a.
Shooting Rights over about 4,900 Acres
Average Stag 1970 is 1,187 Bires, Best Bag since 1970 is 1,916 Bires
28 Acres of common woodland
Auction 31st May (Unless Previously Sold)
SAVILLS, London Office: Tel: 01-489 8644
JOHN SALE & PARTNERS, 18-20 Glendale Road, Wooler, Northumberland. Tel: (04682) 611.

01-499 8644 20, Grosvenor Hill, Berkeley Square, London W1X 0HQ

NEW HOMES

FROM THE J. M. HILL GROUP

VERULAM COURT (01-202 3308) Woodland Ave NW5. Access via Cool Oak Lane off Edgware Road. On the bank of the Welsh Harp with private heated swimming pool 5 miles from Wood End. Last phase... 1, 2 and 3 bedroom flats for sale from £33,000 leasehold. All with CH & fitted carpets.

SHERBORNE COURT (01-373 0327) 180 Cromwell Rd SW5. Close to West London air terminal. Attractive studio flats with the "best" facilities. From £7,000 to £23,000 99 year leases. All with CH, constant hot water & fitted carpets. Ideal as London business home.

HEATH COURT (0638 68040) Moulton Rd. Newmarket. Retirement home with a difference. Buy your apartment and enjoy the "best" facilities. From £7,000 to £23,000 99 year leases.

STORMONTFIELD (07381 52806) Elegant bungalows set around a mill stream by the River Tay, 4 miles from Perth. Spacious lounge, 3 bedrooms, CH, double glazed and very well equipped. From £29,000 freehold.

BEAULANDS CLOSE, De Freville Ave, Cambridge. One bedroom flats, ready Spring '79. CH and fitted carpets. From £16,750 99 year leases. Estate Office, (0223 64853) open 12-4 Wed, Thu & Fri, 11-2 Sat, or by appointment to 01-903 5511.

DECORA — the new interior design company within the J. M. Hill Group. Your new home can be designed and decorated by our specialists.

FUTURE DEVELOPMENTS: 1 bed flats & 2 or 3 bed houses at Bushey, Herts. Retirement apartments at Denham, Bucks. With restaurant and social facilities. 2 bedroom flats with swimming pool at Dollis Hill, London.

Show flat tel. nos. in brackets. Open 11-5 daily, 2.30-5.30 Sun, or contact the Estates Manager at: J. M. HILL GROUP, Heather Park Drive, Wembley HA0 1SX. Tel: 01-903 5511
Prices & availability correct at time of going to press.

WEST SUSSEX

Near Horsham

Ivorys Estate, Cowfold

A RESIDENTIAL AND FARMING ESTATE WITH STUD FARM

Beautifully-sited house.
3 farm units and a stud farm.
A total of 15 farmhouses and cottages.

IN ALL ABOUT 501 ACRES

FOR SALE BY AUCTION AS A WHOLE OR IN 10 LOTS (unless previously sold)

Solicitors: HUNTERS, London (Tel: 01-242 4931/6)

Joint Auctioneers: KING & CHASEMORE, Pulborough (Tel: 07832 2061) and KNIGHT FRANK & RUTLEY, London office (Tel: 01-629 8171)

Sturgis

Kensington Heights

First floor set in modern block
2 bedrooms, 2 bathrooms, kitchen, reception room, garage, underground parking space.
Lease 115 years from 1/1/1960.
Joint agents: Chesters, 116, Kensington High Street, W.8.
01-274 1274

MAYFAIR

Extremely well decorated 5th floor flat in a well maintained block close to Park Lane. 2 bedrooms, reception room, bathroom, kitchen. £25,000 to include substantial amount of furnishings.

MAYFAIR

Large detached 4 bed flat in prestige location. Large entrance hall, 3 main communicating reception rooms, large kitchen/breakfast room, 2 bedrooms, 2 bathrooms, porcelains, 83 years lease. £149,000.

61 PARK LANE, W.1 01-493 1401

HOVE SUSSEX

FOR SALE

AS A GOING CONCERN LUXURY REGISTERED REST HOME

Unrivaled residential position with views across town to sea. Ideal as Family Residence and "Part Business".

8 Bedrooms, 4 Reception Rooms, 3 Bathrooms, ultra-modern Kitchen, Wine Cellars, Garaging for 7 cars.

Gas central heating

Surrounding Gardens FULLY EQUIPPED AND WITH CENTRE COURTS

Actual and est. 70 acres

£50,000 p.a.

PRICE £140,000 FREEHOLD

DEACON & COMPANY
11 Station Road, Portladies, Sussex Brighton BN1 4AD

Knights Frank & Rutley

20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

M&M Means Marbella

Spanish Homes

- Unmatched expertise
- Sound legal advice
- Finance facilities
- Diverse investment rights by scheduled airlines
- Personal service

141 properties
Zerth House, St. Charles St. London WC1
Tel: 01-837 0266 or 2441

PROPERTIES FROM £10,000

SPECIAL SELECTION

MARBELLA/ESTEPONA

Ultra luxury town houses built to high specification and standards, fully fitted, 2 bedrooms, swimming pool, restaurant, bar, etc. Prices from

£34,600 — Terms available

141 properties
NEXT AVAILABLE FLIGHT JUNE 2nd

Zerth House, St. Charles St. London WC1

MALLORCA, ALCUDIA

Very attractive with over 20 miles of the Med. Fully furnished, 3 bedrooms, 2 bathrooms, luxury British kitchen, all units, all electricity, large lounge, large dining room, 3 double bedrooms, 2 bathrooms, complete kitchen, large terrace, swimming pool, tennis court, garden, large garage, 1.5 acre plot, 12.5 acres of land. Absolutely nothing to buy. Access to private beach.

Price at £42,000

Write Box T.5051, Financial Times, 10, Cannon Street, EC4A 4BY

John German Ralph Pay

By order of the Executors of Miss W. A. Cobbe, deceased, and Somerville College, Oxford

KENT/SUSSEX BORDERS 174 ACRES

Tenterden 4 miles, Rye 5 miles, Headcorn Station 12 miles
Charing Cross 70 minutes

KINGSGATE FARM, WITERSHAM

AN ATTRACTIVE SMALL RESIDENTIAL FARM

Main house with 2 reception rooms, 5 bedrooms and bathroom. Oil fired central heating. Garden, Staff bungalow, farm buildings, 26 acres of woodland, 142 acres of Grade 2/Grade 3 farmland.

FOR SALE WITH VACANT POSSESSION BY AUCTION ON WEDNESDAY, JUNE 20 1979 (unless sold previously)

Joint Auctioneers:
Smith Woolley and Perry, Manor Office, 43 Cople Hill Avenue Folkestone, Kent CT20 2RB - Tel: (0303) 57191
London Office: Tel: 01-499 9671
In association with
Daniel Smith, Briant and Dome, 16 King Edward Street Oxford OX1 4HT - Tel: (0865) 724811

127 MOUNT STREET LONDON W1Y 6BL **01-499 9671** TELEX 28729

Your NEW LIFESTYLE starts here... with a Fernden Leisure Pool.

Whether you want, paddle, give splash or just have fun, Fernden can provide a pool designed exactly to suit you, your garden and your pocket. DEEP ENJOYMENT — A Fernden leisure pool in your garden is an investment that will add value to your property and give your family and friends a lifetime of healthy enjoyment. CHOICE — Fernden who pioneered over 20 years ago the modular system of pool construction in Great Britain, offer you a very wide range of pool styles, sizes and shapes, including 0' by 6'. EXPERIENCE — We are manufacturers and leading U.K. wholesale distributors of pools, equipment and accessories, with a professional nationwide network of retailers, installers. All Fernden pools offer a 10 year Guarantee of confidence. SHALLOW ENJOYMENT — Because we are the manufacturers selling direct to you, we can really keep our prices low. We also offer Easy Term Finance through the FERNDEN CREDIT PLAN. Investment success is assured in a Fernden Pool. Make direct contact your NEW LIFESTYLE starts NOW! Please send me, without obligation, your free colour brochure and price list. I won't even cost the price of a stamp.

PREPARED BY FERNDEN LEISURE POOLS, 111, 113 & 115, SLAUGH, BERKS SL7 4JF

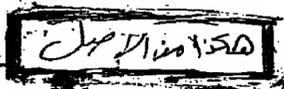
EXECUTIVE POOL EQUIPMENT LTD.
500 Oxford Ave. Slough Trading Estate, Slough, Berks SL7 4JF
Tel: Slough 751 7625

FERNDEN Leisure Pools

OVERLOOKING THE SOLENT

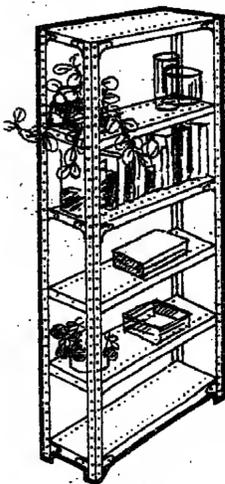
In pleasant yachting village — superbly finished individual 2, 3 & 4 Bedroom Flats for immediate occupation. £52,750 to £56,750. Heated Swimming Pool, Low ground rent and maintenance.

N. R. TRICKETT (DEV.) LTD.
114/118 ABOVE BAR, SOUTHAMPTON (0703) 25288



HOW TO SPEND IT

Watch out for the High-Tech Revolution



IF YOU haven't yet heard of High-Tech you soon will. A new book written by two Americans, Joan Kron and Suzanne Slesin, called High-Tech: The Industrial Style and Source Book for the Home, has created more of a stir in design circles than anything I can remember in the past decade or so.

So far it's only been published in an American edition and the 30 copies that the Conran shop (at 77 Fulham Road, London SW3) originally ordered have long since sold out. The shop is awaiting two further batches of 50 copies each (place your orders now!). I had to get a friend to bring a copy over from New York, so precious are the few copies circulating among the cognoscenti in London. And when I tell you that they cost about £15.00 a copy you can see that people must want the book quite badly. So what exactly is High-Tech? It's a new name for an old idea. The name itself comes from a

play on two expressions—high style and technology and the style itself is based on the idea of using industrial components and equipment in domestic settings. If you like, it is the ultimate expression of functionalism.

High-Tech was originally an architectural term of which the clearest modern example is the Pompidou Centre in Paris. Nobody who has seen the building, who noted the exposed beams and stairs, ventilating systems and pipes, could help but be aware that they were looking at something novel and extraordinary, even if they didn't know its name.

Some people see in High-Tech a profound social statement. In the introduction to the book Emilio Ambasz, one-time curator of design at New York's Museum of Modern Art, informs me that he sees it as a "form of moral protest." He also thinks it is an expression of "our wish not to follow social patterns imposed by those who manipulate culture, invent devices and shape fashion."

Maybe, I prefer to think that though now it has a name it is bound to become a style, nonetheless it is a style that has its roots in a rational train of thought. Whereas most articles designed for the home are designed for the judgment of the retail shop buyers and with an eye to some immediate customer appeal, industrial products are designed purely to give good value. They must be cheap but durable and foolproof. They are usually bought in quantity and their price does not have to include the cost of heavy advertising campaigns.

The products usually have an uncompromising directness in appearance which the new designers find refreshing and pleasing. Sometimes the products are cheaper than those devised for domestic use but not always because often they are more strongly constructed and better made. In either case they are better value in real terms.

Which isn't to say that all industrial products are necessarily better than the products designed specifically for the home. They can be clumsy, heavy, use bad colours and have sharp edges, projecting nuts and bolts. They are often difficult to clean and need to be judged in just as stringent a way as ordinary domestic products.

But High-Tech doesn't just stand for the simple use of industrial products in the home. It also means the inventive use of a product designed for one purpose for another. What I like most about it is that it encourages us to look at products with new eyes, to decide for ourselves what we'd like to use in which situation.

Design writers have been trying to encourage people to do just this for years. If I look back over my cuttings file for the last decade I can see that I have suggested using laboratory glassware for vases, school satchels for handbags, milk crates to provide stacking storage in nurseries, industrial shelving for books, Pearson's surgeons brain jars for kitchen use, butcher's blocks for kitchen tables—the list is endless.

Ten years ago the photographer John Vaughan was suggesting the use of mortuary tables for dining since they had a good easy-to-clean surface and a little hole at the end for wiping down. It's not sure how many people took him up on that.

The dentist's chair has always been more comfortable than most domestic seating and this knowledge is clearly behind the famous Charles Eames chair of the late 50s. Eames, too, built himself a very famous house in Santa Monica almost entirely made from off-the-peg industrial products. Several lighting systems have been based on photographers lights and industrial tracks.

So High-Tech isn't new but its advent as a recognised design style can be seen as a salutary return to honest functionalism spiced with an inventive, sometimes humorous use of objects

designed for other purposes. High-Tech isn't always easy to blend into the average English house. It's fairly uncompromising in its statement and I don't see how it can be slotted easily into the postcard-ridden houses that most of us now live in—our Laura Ashley wallpaper, patchwork quilts, Victorian button-back chairs, they all seem to belong to another era.

For most of us High-Tech is not a style that we will be able or will wish to embrace in a wholesale way. But in its encouragement to look at products with new eyes, to think for ourselves and not just to accept conventional labelling, to become excited by the idea of a new industrial "find," it offers a sense of adventure in furnishing a home. To see that a door can also be a table, that a waste-bin can be a flower-plant holder, that a school locker can be used for hanging clothes, is not only fun, it can sometimes save a great deal of money.

For the moment the chief sources of High-Tech ideas for the home have to be sought out the hard way. Look in your own Yellow Pages, under sections like Catering Equipment (the now sought-after English is a scaled-down version of industrial cooking equipment, cook's knives and stainless steel catering utensils are usually of superb quality—Londoners can try William Page of 91, Shaftesbury Avenue), Laboratory Equipment and Suppliers (their glass jars really do make simple, inexpensive vases), Office Equipment (Ryman's catalogue, for instance, has long been a source of ideas for many homes) and Hospital Equipment.

Most of us aren't going to change completely the way we live or the way our houses look but there are certain industrial products that could improve our life-styles a good deal. Industrial lighting is often exceedingly good and for some reason that I can't put my finger on seems to blend much more easily into most homes than other industrial products. Take a look at some of the lights on this page.

Industrial shelving is good, strong and sturdy—just what is needed if you have to house large collections of books or other items. Industrial vacuum cleaners are often much more efficient than domestic versions. Polythene containers of all sorts from milk crates to the stacking boxes seen in many factories, make admirable storage in nurseries or workshops and their bright colours are often very attractive.

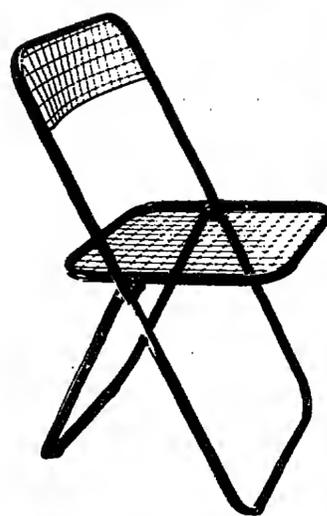
Office equipment has for several years now been borrowed for domestic use—the range of files and storage offered far exceeds any domestic system I know.

A good catalogue which should spark off a thousand ideas is that produced by Key Industrial Equipment of Eclipse House, New Borough Road, Wimbome, BH21 1RB.

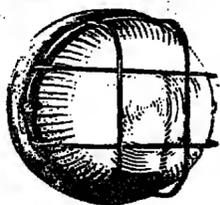
Remember, it is not always easy to buy industrial products as a private individual and quite often minimum orders are necessary and carriage and VAT aren't included in the prices quoted.

Anybody interested in the subject should buy Joan Kron and Suzanne Slesin's book for it brings the whole subject visually alive. To start with they are able to use colour and much of the effect of High-Tech is derived from things like the juxtaposition of a large hot-water pipe painted bright red against a white wall, of brightly coloured plastic containers against a sombre brick steel background.

The book is a fund of ideas—I bid never before realised quite how beautiful ash canes

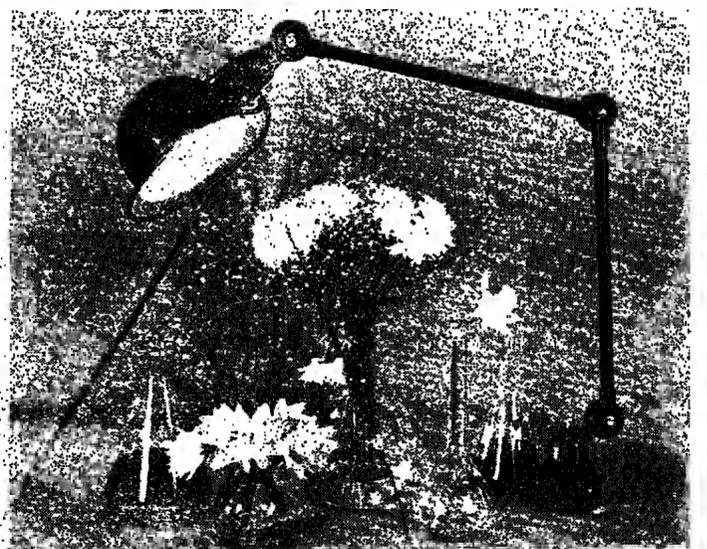
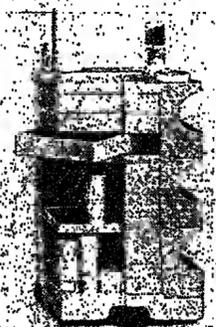


This prepacked steel shelving was, of course, designed for commercial use and there's another version for even heavier industrial applications. Each shelf can hold up to 230 lbs should you need to store anything heavy. As you can see the lines are clean and simple, and the prices are very reasonable, starting as they do at about £23.00 for a unit this size. It's difficult to give exact prices as they depend upon quantities ordered and carriage is extra. This system is produced by Key Industrial Equipment of Eclipse House, New Borough Road, Wimbome BH21 1RB. Enquiries to them for exact prices.



Splendidly sturdy bulkhead light now being sold by Habitat for use as a wall light. White opaque glass and red or white aluminium. There are two versions—this one is £9.50 and there's a smaller oval one for £6.50. Buy it either by mail from Habitat Designs, P.O. Box No. 2, Wallingford, Oxfordshire, OX10 2DQ, or from Habitat Shops.

The Boby trolley was originally designed for office use but its good colourings (comes in yellow, red, white, black, brown, green or orange) have meant that it is often seen in houses as well. Designed by Joe Colombo it makes a good domestic bar trolley, bedside table or whatever. Price for this version is £58.32. From Ryman Contracts, 200, Tottenham Court Road, London W1 and Ryman branches, and can be ordered from their catalogue.



The Boby trolley was originally designed for office use but its good colourings (comes in yellow, red, white, black, brown, green or orange) have meant that it is often seen in houses as well. Designed by Joe Colombo it makes a good domestic bar trolley, bedside table or whatever. Price for this version is £58.32. From Ryman Contracts, 200, Tottenham Court Road, London W1 and Ryman branches, and can be ordered from their catalogue.

Very functional Jelder light, originally designed for use in German factories and work shops. Available in black or white. £22.50 from Habitat Designs. Photographed with it is a selection of laboratory glass which could be used as carafes for holding wine, water or fruit juice or for holding flowers or bath salts. The glass is from Gallenkamp and Co., P.O. Box No. 290, Technico House, Christopher Street, London, EC2.

holding flowers or bath salts. The glass is from Gallenkamp and Co., P.O. Box No. 290, Technico House, Christopher Street, London, EC2.

holding flowers or bath salts. The glass is from Gallenkamp and Co., P.O. Box No. 290, Technico House, Christopher Street, London, EC2.

seats could be, what excellent kitchen storage bicycle wire baskets could make, how stunning industrial coolers could look and how much more pleasing to look at are ordinary brass hospital taps than the over-gilded swans and dolphins so beloved of many interior decorators.

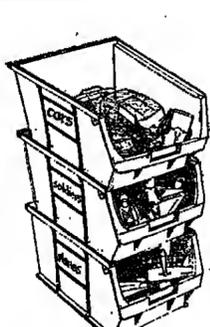
It's a book to browse through, you'll at least know what's out. It's also a good place to search for presents. There are theatrical postcards at 7p, lots of old programmes and posters at about 50p, original designs, photographs, books at about £1 and upwards and if you're a heavy spender there's a Tom Merrifield bronze sculpture of Anthony Dowell for £550.

The shop is open from 10 am to 8 pm every day except Sunday.

precision manufactured storage bins, made from high quality polypropylene for commercial or industrial applications. They are made in a wide range of sizes, they all stack neatly, and come in nice, bright colours (orange, blue, brown, green or red) and would make splendidly practical storage for children's rooms or workshops. Made by Key Industrial Equipment there is a minimum order limit of £15 and you would need to negotiate directly with Key Industrial Equipment over carriage. They are very cheap being about £4.50 for a pack of 20 for the smallest size and about £17.00 for a pack of five of the largest size. Because the catalogue is aimed at industry you will have a bear in mind that it doesn't quote for VAT or carriage.

—you won't like everything in it but nobody could fail to be attracted by the sheer inventiveness of many of the designs whose homes are featured in it.

In August, Allen Lane will be bringing out a British edition of High-Tech and it should include lists of English suppliers.



Drawings by Robin Cole

Togetherness
with
EAU SAUVAGE

Christian Dior

Postscript

ANYBODY looking for a spring outing in the Hertfordshire district might like to know that the fifth annual "Living Crafts" exhibition will be held at Hatfield House from Thursday, May 10 to Sunday, May 13. This exhibition is usually a great success which, in my view, is largely due to the fact that there is always an immense amount going on.

More than 130 craftsmen will be there working at more than 70 traditional crafts. Anybody who is particularly taken with something they see can always place an order there and then.

Would you like your own traditional Dry Stone wall, perhaps to contain a field you're specially fond of? Well, Mr. Keith Clark will be there to show just how the wall, an indispensable part of the Yorkshire Dale landscape, is made.

You can see Mr. Fred Clark of Richmond in North Yorkshire carving Celtic script and making sundials from local Yorkshire stones. There will be a firm from South Shields making ships' steering wheels in brass-bound teak or mahogany.

Mr. Merlin Maddock of Bridgend will be demonstrating the harps he makes while Mrs. Ann Hampton, from New Zealand of all places, will be showing how to make the famous Coggeshall lace.

If you ever fancied trying your hand at a craft you should get a better idea of how you really feel about it by watching the experts at work, so try to go along to Hatfield House. The list of crafts being demonstrated is endless, ranging from the strange and little-practised to the more commonly known like glass-blowing and furniture making.

You can visit the exhibition between 11 am and 6 pm on the Thursday to the Sunday. The fee for adults is £1.10 and children up to 15, 60p.

A Rare Bird for Collectors

BOEHM are famous for their magnificent collection of highly detailed studies of birds, animals and flowers, designed, sculpted and then cast in porcelain or fine bone china at their studios in Malvern, England and Trenton, New Jersey.

This beautiful wading bird, the Avocet, first in a new series 'Birds of Marshland and Sea', is in delicately painted English fine bone china, with legs in finely modelled brass for stability, mounted on a marble and wood base. Sales of this superb life-size model, created by Boehm of Malvern in conjunction with the Royal Society for the Protection of Birds, who successfully encouraged the species to breed again in England after a century's absence, will benefit RSPB funds. Limited edition of 100. Height approx. 10" £433

Five China, Second Floor.
Carriage free within our van delivery area.

Write for free brochure showing all our range to Edinburgh Crystal Glass Company, Dept. FT, 32 Hatton Gdn., London EC1N 8DT. Tel: 01-405 0811

Edinburgh Crystal

Star of Edinburgh

Harrods
Knightsbridge, London SW1X 7XL
01-730 1234

FASHION

Gallic invasion

THERE still seems to be a certain *je ne sais quoi* about the great French names. French designers seem to have been pouring into Bond Street in London lately with names like Chloe, Ted Lapidus and Guy Laroche making our most famous shopping street begin to seem like an offshoot of St. Germain-des-Près.

The myth that only the French can produce high-quality fashion has long since been exploded and this current invasion should be seen as the reverse side of the coin that makes the French snuff out Burberry, our Aquascutum coats, our Jaeger skirts and jerseys, our cashmeres and our shetlands rather than an occasion for an outburst of xenophobia. It's the desire to have something a little different that, after all, keeps the tills ringing.

Anybody wanting something a little different from the other side of the Channel can now find it at almost any price. This week I've chosen to show two examples from the latest fashion shows—one is from the tiny world of haute couture, the other is off-the-peg at a price that is no more than now has to be paid for many British clothes.

To start with the haute couture. Though the price is one that I have never paid in my life nor could I imagine paying there are people, it seems, who want and need special occasion clothes and are prepared to pay for them. Haya 1 is a new boutique at 12, Grafton Street, London.

Specialises in a few exclusive designers, mainly French though they also sell Benny Ong and Halston designs, and who have on sale Lanvin's ready-to-wear collection (here prices are a little lower) and can organise haute-couture through the Paris salon.

This particular dress features all the main summer details—spots, as you may have noticed, and very much in vogue while the dress has the broad



Guy Laroche

shoulder-line, the emphasised waist and the slim skirt that are this season's line.

The dress can be made in crepe-de-chine or silk and though the suggested colourings are either white with red spots or yellow with black spots, Haya 1 would negotiate with the Paris salon over what fabrics and colourways were available (people in haute couture circles tend to meet each other and it wouldn't do for them to be wearing the identical dress). The delivery date is about three weeks and the price is about 10,000 francs.

When the Guy Laroche Boutique was opened at 33, Brook Street, London, WI to sell the designer's ready-to-wear collection it was decided to do almost all the designs in two different fabrics—one would be in pure silk and would be priced accordingly, the other would be in a fully washable cotton/nylon mixture and would be, evidently, very much less. It seems a nice idea and such is the irony of the world that of the dress I have chosen to feature, all the expensive pure silk versions (at £130 a time) have been sold but there are still several cotton/nylon versions at £70 each-left.

The Guy Laroche dress features the ubiquitous spot and stripe, a particularly pretty blouse had to it. The cummerbund ensures the waist-emphasis and it is worth noting that Guy Laroche dresses come in a wide range of sizes—from 6 to 18. The colourway is pale blue with white dots, or navy with red dots.

Besides being available in the boutique the Guy Laroche ready-to-wear collection can be found at a big selection of provincial stores, in particular J. Kartar and Co., Pairs Ltd. of 263, Sauchiehall Street, Glasgow and Penny Lee, Grove Street, Wilmoss, Cheshire.

LUCIA VAN DER POST

Ryder Cup hopefuls

THE EARLY skirmishes on the Iberian peninsula that followed those on the Safari tour of Africa indicate that there may be some new faces in the first European Ryder Cup team to challenge the American cupholders in West Virginia in September. What is more significant is that there appears likely to be more than one Spaniard alongside the inevitable Save Ballesteros.

Interestingly the younger Ballesteros has made such a slow start in Europe after his satisfactory 12th place finish in the U.S. Masters tournament that it is his older brother Manuel instead who currently occupies 11th place in the Ryder Cup points table, with Save at present nowhere in sight. But having taken a complete break from golf during the winter this mercurial character is finding it much more difficult than he ever imagined to regain his best form, as he was honest enough to admit to me recently.

With over 6,000 points to his credit and so far third in the table is the burly former Greco-Roman wrestler from Tenerife in the Canary Islands, Francisco "Tito" Abreu, who speaks little English. This huge hitter, who weighs nearly 15 stones, is one of several home-loving Spaniards who are none too anxious to stray far from their lairs—at least for more than a couple of weeks at a time. And in Madrid, Abreu even confessed to having opened the existence of the Ryder Cup match. He has anything but a classic swing and a horrible-looking hooker's grip that has betrayed him more than once in a tight finish. His two victories, in the 1973 German and 1976 Madrid Opens have been gained by comfortable margins. But Abreu has finished second both in Portugal and in Madrid and 13th in the Spanish Open this season. So his place in the 12-man European team—ten qualify on points and two more are selected—appears to depend on his willingness to travel when tour moves to Britain later this month.

Madrid's Jose-María Canizares is currently lying fifth in the table after a similarly good start to the season. But, like Abreu, he is a reluctant traveller away from the sun, and may thus be overtaken by two more consistently consistent Antonio Garrido also from Madrid who has won 14 cheques in 14 starts in each of the last two seasons; The heavily mous-



Save Ballesteros—a slow start in Europe

tached Garrido was a member of Spain's World Cup winning team in 1977 in Manila and again played for his country in Hawaii last year, so he is hardly averse to travel. In the last eight seasons in 66 appearances, he has failed only three times to cash a cheque. If there is such a thing, Garrido might be classified as the ideal four-somes partner.

The old Scottish firm of Bernard Gallacher and Brian Barnes, a tried and tested Ryder Cup partnership are first and second in the points standings with 11,797.94 and 10,488.03 respectively. Since Abreu has 6,205.43 and fourth-

Current form means nothing in the Ryder Cup match, and Oosterhuis' current form in the U.S. certainly amounts to nothing.

The remaining places in the top ten in the points standings at present occupied by Britons Nick Faldo (6th), Gordon Brand (8th), Mark James (9th) and Michael King (10th), while the promising John Morgan, Sandy Lyle and Ken Brown are 12th, 13th and 15th respectively. Of that talented septet, only 35-year-old John Morgan, winner in Africa this year of both the Nigerian and Lusaka Opens, is over 30, while at 29 King is the only other golfer in the group over 25. So prospects for the future appear rosy indeed.

GOLF

BEN WRIGHT

placed Malcolm Gregson only 4,151.91 points, Gallacher and Barnes are virtually assured already of automatic qualification, which is very good news indeed, since the latter appears finally determined to realise his full enormous potential. And Gallacher is such a tough competitor in the cauldron of head-to-head matchplay, would want him in my team every time.

After three years in which the order of merit placings have been 34th, 33rd, and 27th, Tony Jacklin is finally showing signs of revival, despite the frailty of his putting. One can only fervently hope that Jacklin, currently 17th in the Ryder Cup points table and Save Ballesteros will place themselves into the top ten to gain automatic selection, since one of the last two places reserved for selection by committee must surely go to Peter Oosterhuis.

Unfortunately, the one youngster of real promise whose name is at present missing from the top 20 in the points table is Howard Clark, a distant 62nd in the order of merit table published this week—a far cry from his fifth place finish in 1978. This is particularly disappointing to me as I watched Clark perform creditably in two tournaments in Florida in February, where he made the cut both times and won over \$2,000. Golf can certainly be a cruel business as one's best form comes and goes with bewildering swiftness and without an inkling of a warning either way. But I believe Clark has both the guts and the natural ability to prevail in the hard months ahead until the team is finalised after the Carroll's Irish Open in late August. With the eminent teacher John Jacobs, as non-playing captain, we seem to have a chance this year of putting into the field—at long last—a team with the strength in depth perennially the province of the virtually invincible Americans.

PAPERBACKS

ANTHONY CURTIS

"JERUSALEM was a quiet little town set in the mountains. I remember being impressed by it as pleasant but pretty dull." That was how Teddy Kollek reacted in 1936 to the city of which he is now mayor. The tortuous road by which he reached this position is recounted in *For Jerusalem: A Life*, written with his son Amos, novelist and film director, published here in paperback last year and now appearing in paperback from Futura at £1.23.

Having met Mr. Kollek at the recent Jerusalem Book Fair, I was fascinated by this autobiography, which, apart from being the life-story of a remarkable man with an enormous range of acquaintances, and a great gift for using them to serve the causes to which he is so wholeheartedly dedicated, is also a personal history of the events which led to the formation of the state of Israel and its traumatic history. Kollek grew up in the twilight of the Austro-Hungarian Empire. He was born in 1911

in a small village not far from Budapest. The family migrated to Vienna after the first war where he was educated and raised in a moderately orthodox Jewish life-style. He became a young man an active Zionist. Soon he travelled the world attending conferences in furtherance of the cause, met his future wife Tamar back in Vienna; and in 1935 he arrived in Haifa with £5 in his pocket. He then joined a kibbutz at Ein Gev on the Sea of Galilee near the Syrian border and his account of the early days of the kibbutz movement and its relations with their Arab neighbours is full of interest.

For Kollek the cultivation of the desert soil was interrupted by long bouts of cultivating wealthy, influential people in the United States who could be of service to him. He proved to be as handy with the telephone as with the spade, and in the last years of the British Mandate in Palestine he worked closely with Ben-Gurion.

As a member of the Haganah he was sent to America to purchase aircraft declared obsolete after world war two. His account of smuggling flying fortresses broken up in boxes into Palestine, and other measures to defeat the immigration policy

under the Mandate, makes grim reading. He knew all the top people in the new state: there are good close-up shots of Sharett, Dayan, Golda Meir, Eshkol and others, with no cosmetic fussing. Finally, he devotes several chapters to the city he now heads and over which he presided when the partitions were met in 1947.

When I met Kollek at the Book Fair he asked me if I thought it was a success. I replied that, to judge by the vast number of foreign publishers who had taken time off to attend it, I thought it was. "Ah," he said, "but are they doing any business? Are they making any deals?" The same power to penetrate straight to the point in a variety of situations both cultural and political appears on every page here.

The Israeli novelist Amos Oz was born in Jerusalem in 1939 and for anyone who wants a direct insight into the communal life of a kibbutz in more recent times his novel *Elsewhere*, perhaps, which has just appeared as a Penguin paperback, is a good one. It is translated from the Hebrew by Nicholas de Lange at £1.25, is recommended. The novel is as full of people as the way of life it represents; people with unfamiliar names like Bronka, Noga and Raml. At first the reader feels rather lost among them, excluded from the constant chatty monitoring that goes on. Oz defends their gossiping on the grounds that it is a form of judgment. But to an outsider the combination of heat, a strict work-ethic, and several generations, all herded together, becomes oppressive. Eventually, however, we begin to relate to some of the people more deeply; a young girl whose parents have split up and who drifts into an affair with an older man who is employed as a truck driver by whom she becomes pregnant.

It leaves the rest of the community with a pretty problem on their hands. Oz unravels their reactions with a delicate and subtle touch.

Oz also writes short stories, one of which appears in *The Penguin Book of Jewish Short Stories* edited by Emanuel Litvinoff (£1.25). Interestingly enough as a Hebrew writer he is in the minority in this book. Most of the authors chosen write in Yiddish like Peretz and Singer, or in Russian like Babel, or the majority, in English like Bellow, Malamud, Roth and Cynthia Ozick. Teddy Kollek will have to do something about that.

Endless variety of viburnum

AT THE MOMENT some of the sweetest scents in the garden are wafting from *Viburnum carlesii* and its kin. It seems an appropriate moment to take a closer look at this remarkable family which can provide the garden with flowers in mid-winter, "snowballs" in summer, some of the brightest of all autumn berries as well as some highly distinctive foliage.

Viburnum carlesii is one of a small group all of which produce tight clusters of white or pink tinted, intensely fragrant flowers in spring. Others are *V. utile*, which is evergreen, and *V. bithucense*, which, like *V. carlesii*, is deciduous. They mate happily and one offspring, *V. burkwoodii*, combines the evergreen foliage of *V. utile* with the finer quality of *V. carlesii* while another, *V. juddii*, adds the robust good health and regular flowering of *V. bithucense* to the more compact habit of *V. carlesii*. A fourth species, not really a member of the group, has also been brought in. This is *V. macrocephalum*, of which more in a moment, which has been crossed with *V. carlesii* to quadruple the size of its flowers making them into little "snowballs" a month ahead of their time. The hybrid is known as *C. corcepholium*.

Another little group is composed of the winter flowering species of which the most familiar is *V. fragrans* (now called by botanists and a few nurserymen *V. javerrii*) and the finest in flower is *V. grandiflorum*. There is a third species named *V. tomentosum* which is just as beautiful and sweet smelling but does not take so kindly to our British climate. In some gardens *V. fragrans* refuses to flower, or only flowers very sparingly, but I have never been able to discover the cause. The flowers are pink in bud, white when fully open whereas the larger clusters of *V. grandiflorum* start as carmine buds and finish as pink flowers. What makes these two so different is the qualities of these two excellent shrubs? This was done many years ago at Bodnant,

Lord Aberconway's magnificent garden in north Wales, and so the hybrids are collectively called *V. bodnonsense*. There are several forms but Dawn, with pink flowers, is the most popular.

In mild places *Viburnum tinus* is also winter flowering and even in cold places it carries its clusters of purplish buds quite attractively all winter though prudently waiting until early spring before opening them to white, or occasionally

GARDENING

ARTHUR HELLYER

pink tinted flowers. It is even later than the common form, and makes a large, densely branched bush. It was a top favourite with Victorian gardeners who called it the laurestinus, presumably because it looked like a laurel. Perhaps their affection was sufficient to condemn it for a generation or so but now it is climbing up the popularity charts again and quite rightly so. It grows particularly well by the sea, particularly not in the least inconveniently by salt in the air, and also in town gardens, with equal indifference to sulphur and other atmospheric impurities. Some gardeners think it a little dull in leaf. There is a variety named 'Lucidum' which has glossy leaves but it flowers later than the common form.

Like hydrangeas, some viburnums have the odd habit of exchanging their normal, small fertile flowers for much larger and more showy flowers which are sterile. When they do this in the wild they pay the penalty for their folly by rapidly becoming extinct but gardeners seize on these freaks eagerly and propagate them by cutting or layers which is very easy to do. The form of *V. macrocephalum* in cultivation is one of these sterile forms but though it has no pollen of its own it has been fertilised with pollen

from *V. carlesii* as I have already explained. The flowers of this sterile form look much like those of a white hydrangea, are freely produced and very attractive but unfortunately lack their own pollen. Sometimes it is traded against a sunny wall and it would certainly succeed in many sheltered spots.

Even more eye catching, and completely hardy, are the two snowball trees derived from species of viburnum. The commonest kind is a form of our native guelder rose, *Viburnum opulus*, and it is called *Sterile*. It grows rapidly into a large bush covered in early summer in big, white globular flower heads which last well. The other kind is the Japanese snowball tree which has a lower, more horizontal branch habit. The flowers are smaller, but even more numerous and it is arguably an even more beautiful flowering shrub. The sterile form arrived in Europe before the wild form and was named as if it were a species, the name chosen being *V. plicatum*. When the true species arrived about 20 years later it had to be given a varietal name to distinguish it and is now known as *V. plicatum sterilis*.

Another magnificent fruiting species is *Viburnum bodnense*, a really big shrub but not a clumsy one since its stems are slender and its habit open. The berries are shining red, like those of *V. opulus* but smaller. The flowers are small, but very numerous. It must be noted that the very best fruiting shrubs are not in the least difficult to grow.

Viburnum henryi has all the virtues: evergreen leaves, small but abundant white flowers in June followed by berries which gradually change from red to black as they ripen. It is not over large, is completely hardy and has been with us for 80 years yet remains little known and only specialist nurseries are likely to be able to supply it. Not so *Viburnum doidici* and *V. rhytidophyllum* two increasingly popular foliage shrubs, the first quite low growing and densely covered with dark green, prominently veined leaves, the second a big, fast growing shrub with large, corrugated leaves, dark green above, covered with grey down beneath producing an effect not unlike that of some large leaved rhododendrons. The flowers of *V. rhytidophyllum* are off-white and not very noteworthy. Horizontally branched named *Roseum* with reddish flowers which are more effective. *V. doidici* also has rather dull flowers but the small berries that sometimes follow them are turquoise and decidedly pretty. Production is more likely to be profuse if several plants are grown together.

done other things for the gardener besides presenting him with the largest snowball tree. A variety named *Compactum* is only half the size of the wild plant but there is no reduction in the size of the red current brilliance of the berries which are produced freely. There is also a yellow leaved named variety named *Aureum* and two yellow fruited varieties, of which the better is *xanthocarpum*. Plant the red and yellow together and you will have fruit colour in autumn as brilliantly contrasted as any flower colour in summer.

Another magnificent fruiting species is *Viburnum bodnense*, a really big shrub but not a clumsy one since its stems are slender and its habit open. The berries are shining red, like those of *V. opulus* but smaller. The flowers are small, but very numerous. It must be noted that the very best fruiting shrubs are not in the least difficult to grow.

Viburnum henryi has all the virtues: evergreen leaves, small but abundant white flowers in June followed by berries which gradually change from red to black as they ripen. It is not over large, is completely hardy and has been with us for 80 years yet remains little known and only specialist nurseries are likely to be able to supply it. Not so *Viburnum doidici* and *V. rhytidophyllum* two increasingly popular foliage shrubs, the first quite low growing and densely covered with dark green, prominently veined leaves, the second a big, fast growing shrub with large, corrugated leaves, dark green above, covered with grey down beneath producing an effect not unlike that of some large leaved rhododendrons. The flowers of *V. rhytidophyllum* are off-white and not very noteworthy. Horizontally branched named *Roseum* with reddish flowers which are more effective. *V. doidici* also has rather dull flowers but the small berries that sometimes follow them are turquoise and decidedly pretty. Production is more likely to be profuse if several plants are grown together.

BRIDGE

E. P. C. COTTER

THE GUARDIAN Easter Tournament, the British heat of the Philip Morris European Cup, once again attracted a large entry from all over Europe. Here from the Open Pairs is an interesting competitive deal:

N. 6
K Q 6
A 7 3
J 6 2
10 9 7
W. 10 10 5 3
E. 7 5 3
K 8
A K 6 4 3 2
S. J 9 8 4 2
7 9 4
Q 5
With East-West vulnerable, North dealt and passed, East

hid one club. South overcalled with one spade, and West said two hearts. North raised to two spades, East rebid three clubs, and after two passes North's three spades concluded the auction.

West led the club Knave, East cashed King and Ace, and returned the six, which his partner ruffed with the spade ten, while South threw a diamond. The heart five came next, a low card was played from dummy, and the King won. East now cashed the King of diamonds, which was all right, but he then returned his other diamond, which was a serious error. The declarer ruffed this, and proceeded to run off his spades. The last spade caught West in a one-way squeeze in the red suits, and the declarer got away with one down.

West pointed out that, after cashing the diamond King, East should have returned his other heart, and so broken up the squeeze position by attacking a vital entry. This was a valid criticism—East should have been able to count the declarer for six spades, three hearts, two

diamonds, and two clubs. The threatened squeeze was obvious, the position cried out for the return of the heart eight, not the suicidal diamond.

This hand was, perhaps, the one I enjoyed most:
N. 6
K Q 6
A 7 3
J 6 2
10 9 7
W. 10 10 5 3
E. 7 5 3
K 8
A K 6 4 3 2
S. J 9 8 4 2
7 9 4
Q 5
With East-West vulnerable, North dealt and passed, East

I was South, dealer at game all, and opened the bidding with one heart. North replied with two diamonds, I raised to three diamonds, and over North's next bid of three hearts—I went to support, of course—I went to four hearts.

On West's opening lead of the spade five East produced the King, won in hand by the Ace, and I then cashed the Ace of

trumps. The fall of West's nine suggested that I might make twelve tricks if he now held the singleton Queen, but I decided—very wisely—to resist the temptation and play for safety by returning the three. When West showed out, I was thankful that I had not set my sights too high, and played dummy's Knave. East won with the Queen, cashed his ten of spades, and led another spade, hoping to force dummy.

I ruffed this in hand with the six of hearts, and led the club ten to the Queen and Ace. West following with the two. East took his Ace and led a fourth spade, this time forcing me to ruff with dummy's last trump, as I discarded my diamond ten. Now I needed a trump coup. Deciding to believe that West's club two shinned with a 5-4-3 suit, I placed him with a 5-4-3 pattern, cashed my Ace, and bid of three hearts—three-card support, of course—I went to four hearts.

On West's opening lead of the spade five East produced the King, won in hand by the Ace, and I then cashed the Ace of

CHESS

LEONARD BARDEN

THE CENTRE of attraction for international chess is currently the World Cup tournament at Montreal, now in its closing rounds which brought together ten of the strongest active grandmasters in the world. The competitors are Karpov, Spassky and Tal (all USSR), Portisch (Hungary), Timman (Holland), Larsen (Denmark), Hort (Czechoslovakia), Hübner (West Germany), Ljubojevic (Yugoslavia) and Kavalek (U.S.), playing a double-round all-play-all event.

Apart from the world championship candidates' tournaments, where the reigning titleholder does not take part, this is the most ambitious elite event at least since Avro 1938, where the entry (eight players in Montreal's ten) was Keres, Fine, Botvinnik, Alekhine, Eaw, Reshevsky, Capablanca and Flohr.

First prize is \$25,000 and a full-length feature film is being made of the tournament. Among the omissions the striking ones is, of course, Korchnoi, whose exclusion was a condition for Karpov's participation. Spassky is also said to be firm that he will not play again with Korchnoi following

the controversial incidents in their 1977 match.

At one stage the Montreal organisers hoped (as did those of Avro) that the winner, if not Karpov, would get an automatic right to a match for the world title; without this the "World Cup" has no special official status.

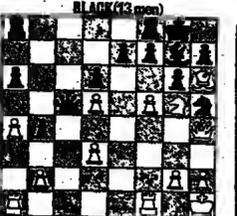
Karpov had to withdraw at Munich earlier this year when his father died just after the event began, so Montreal is the first real test of whether Karpov's indifferent form in the world championship match reflected the tough physical demands made on him there (he lost three kilos off his slight frame and was visibly tired near the end) or whether Korchnoi exposed real weaknesses in his armoury.

After 11 of the 15 rounds, scores were Karpov 8, Tal 7, Portisch 7, Ljubojevic 6, Hübner 5, Timman 4, Spassky 4, Larsen 3, Kavalek 3. White: A. Karpov (USSR). Black: B. Spassky (USSR). Opening: Queen's Gambit Declined (Montreal, 1979).

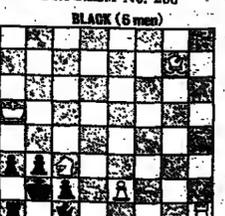
1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-KB3, P-Q4; 4 N-B3, B-K2; 5 B-B4, O-O; 6 P-K3, P-B4; 7 Q-P3, N-B3; 8 Q-B2, Q-R4; 9 P-QR3, B-P; 10 R-Q1, B-K2; 11 N-Q2 (an unexpected opening choice, following Korchnoi-Karpov, ninth game, with Karpov Black; but an earlier precedent is a game by Portisch-Spassky, with Spassky Black, in

both games Black now went 11... P-K4; Spassky varies, but to little effect as an isolated queen's pawn plagues him for the next 30 moves). B-Q2; 12 B-K2, K-R1; 13 Q-O, Q-Q1; 14 P-P, P-B3; 15 N-B3, P-KR3; 16 N-KB, B-K3; 17 N-B4, B-N3 (P-N falls to B-R5); 18 B-B4, Q-N3; 19 B-K5 (blockading the dark squares around the weak QP before attacking it). N-K5; 20 Q-R2, N-N; 21 B-N, R-O1; 22 R-Q3, R-Q3; 23 K-R-O1; R3-Q2; 24 R1-Q2, Q-N4; 25 Q-Q1,

White mates in three moves at latest, against any defence (by A. Gruenwald, Schwabe 1957). This has a real problemist's key, and there is no trick—White plays as usual up the board.



White mates in three moves at latest, against any defence (by A. Gruenwald, Schwabe 1957). This has a real problemist's key, and there is no trick—White plays as usual up the board.



White mates in three moves at latest, against any defence (by A. Gruenwald, Schwabe 1957). This has a real problemist's key, and there is no trick—White plays as usual up the board.

Solutions, Page 17

1550 1550



Man with a sable pencil by Joseph Edward Southall, £1,700.
 Marklin tinplate steam yacht, £2,400. Crackle glazed ceramic figure, £300.
 Senior Monarch gramophone, £700. Meerschaum pipe, £1,300.
 Silver-mounted ivory biscuit barrel, £320. Theodore DeWitt, £330.
 Satsuma vase, £480. Meteloch tinband, £240.
 Hayashi silver-mounted claustrine kago and cover, £820.

It need not be antique to be valuable

Few people realise that in recent years the rise in price of objects made in this country and abroad since Victoria came to the throne has been dramatic.

If you would like advice without charge on anything made from 1830 to the present day please bring it to Sotheby's Belgravia or write to or telephone the relevant specialist department.

Sotheby's Belgravia
 19 Motcomb Street, London SW1X 8LB Telephone: (01) 235 4311
 Telegrams: Gavel, London Telex: 24454 SPBLONG

COLLECTING

APPARENTLY simple words like 'original,' 'copy,' 'authentic,' 'reproduction,' 'antique,' 'modern' can acquire head-breaking complexity for the collector faced with such objects as the Nymphenburg porcelain which goes on show at Aspreys in Bond Street on Wednesday, for the next fortnight.

These pieces have all been made within the last year or so; but they belong to an unbroken line of manufacture that goes back, virtually unchanged in techniques, to the 1750s. Clearly an authentic Bustelli porcelain sculpture produced under the direct supervision of the great Modellmeister himself is something that can never be reproduced; but it is a tricky question what intrinsic difference, apart from age, separates a model made from Bustelli moulds a month after the artist's death, or one made two centuries later.

For the collector, of course, there will always be a difference that can be recognised and which is reflected in the monetary value. Visually the difference between the old and the new is virtually undetectable though; and indeed the State Porcelain Factory's monograph on the work of Bustelli is largely illustrated with examples made in recent years. Nymphenburg has proved the most durable of the score or so factories that sprang up in the German states in the 1750s. Porcelain manufacture had begun at Meissen and Vienna in the second decade of the eighteenth century. Meissen lost ground with the Prussian invasion at the beginning of the Seven Years' War, while wandering 'arcanists' — men who possessed the secret of porcelain manufacture — defected from Vienna in the 1750s to sell their services and secrets to the many noble patrons anxious to set up court factories.

The hustest of these 'arcanists' was Joseph Jakob Ringler, who appears to have won the heart of the factory director at Vienna, and through her acquired the secrets of kiln construction. Having helped establish the factories of Höchst and Strasbourg, Ringler moved in 1753 to Bavaria, where Prince Max III Joseph had established a factory at Neudeck-ober-Au. In 1761 the factory moved to Nymphenburg, where Max III Joseph built a special pavilion in the Palace complex, which stands just outside Munich. The Nymphenburg factory is still in the same building today.



Nymphenburg had the great good fortune in its early days to discover Franz Anton Bustelli, who was Modellmeister from 1754 till his death in 1763. Every factory had its star modeller — Kändler at Meissen, Melchior at Höchst, Linck at Frankenthal, Beyer at Ludwigsberg, Meyer in Berlin.

Bustelli, an Italian Swiss born in Locarno in 1723 (or 1725), surpassed them all in the vigour of his sculpture and his appreciation of the medium. Bustelli's miniature porcelain sculptures are masterpieces of the Rococo. He avoided the finicky detail of much of the porcelain of the period, preferring to get his effects through wonderfully sinuous line, ideally suited to the medium. He had above all a vital and humorous sense of character; and delighted in making complementary pairs of figures which, placed side by side, seem to flirt, to spurn, to ogle or defy.

Bustelli's most famous creations for Nymphenburg were the eight pairs of figures from the Commedia dell'Arte. In the course of his brief but prolific career however he created extensive series of characters from polite society, from the church, from the trades and professions of the time. An extensive series of groups in the Chinoiserie style reflect the current fashion; and an irresistibly charming and comic series represents Ovidian gods as plump and stoutly characterised putti.

Soon after Bustelli's death the factory hit hard times, and could never again regain its first glories. The Napoleonic period provided a new blow: such aristocratic luxuries as the court porcelain factories were evidently anachronisms. Still, Nymphenburg enjoyed at least some benefit: its repertory of models was much enlarged by acquisition of many of the moulds and models from the Frankenthal factory, which closed in 1789. In the 1860s the Bavarian State leased the factory in a private proprietor. There was a significant renaissance from 1887 when Albert Bäumel took over the works. In the subsequent ninety years there has been little attempt to enlarge the repertory. Instead the old models have been continued and revived, and new craftsmen trained to reproduce the standards of the eighteenth century. Many old models have been recreated, in many cases from rare museum originals, until the entire Bustelli repertory has been restored.

The only concessions to the twentieth century have been to adapt the old water wheel to drive an electric generator, and, two years ago, to convert the kilns to gas. Even this seemed a risk, removing as it did one of the unpredictable elements and challenges that seemed somehow to give special excitement and vitality to the ceramics of the eighteenth century. Nymphenburg has never gone over to mass production; and the old individual craft methods are — as they always were — costly. The figures currently produced cost between £70 and £1,850 each. They are made only to order (and are much favoured for Royal presentations), which is why the Asprey exhibition is the first time that such a collection of Nymphenburg figures has come on show to this country. The exhibition includes complete sets of Bustelli's comedy figures and chinoiserie groups; and a hunt of 22 figures from Frankenthal originals.

FINE STAMPS
 AN ALTERNATIVE INVESTMENT
 For fully descriptive brochures write to:
 U.H. FINE STAMP INVESTMENT SERVICE (FT)
 9 Christmas Steps
 Bristol BS1 5BS
 Telephone: 0272 20442

CHRISTIE'S
 No. 378
Little Peaching
 No tale of Old Japan is more appealing than that of Momotaro, the boy magically born a peach, and like all good fairy-tales it has a happy ending. The story is simple and often told, of an old woodcutter whose wife washing clothes in a stream, chanced on a floating peach and took it home. When put before her husband the fruit burst open and a tiny child appeared whom the couple named Momotaro or 'Little Peaching'. When he grew older this adventurous boy set out for Onigashima or Devil's Island, where a Demon King lived in a castle holding many stolen treasures. On the way Momotaro, who carried only a bag of millet dumplings provided by his foster-parents, met a monkey, a pheasant and a dog, who for a dumping piece agreed to go with him and do battle with the demons. The happy ending is, that Little Peaching, helped by his three friends defeated the Demon King and returned with such treasure that the old woodcutter and his wife lived in peace and plenty for the rest of their lives. There must be several morals to be drawn from this story; its hero and his faithful retainers are the subject of this ivory carving to be sold at Christie's in a sale of Japanese Ivory Carvings and Netsuke on Tuesday, May 15. For further information on this sale, or sales of this kind, please contact William Tuley at the address below:
Christie's, Fine Art Auctioneers since 1766.
 8 King Street, St. James's, London SW1Y 6QT
 Tel: (01) 839 9060 Telex: 916429 Telegrams: Christart London SW1

Phillips
 Tuesday, 8 May, 11 a.m. ANTIQUE FURNITURE, RUGS, CHINA, GLASS & OBJECTS. View: Saturday 9.12 & morning of Sale. Cat. 37p by post.
 Tuesday, 8 May, 11 a.m. WATERCOLOURS. Cat. 37p by post.
 Tuesday, 8 May, 2 p.m. PRINTS. View Morning of sale to 11.00. Cat. 37p by post.
 Wednesday, 9 May, 11 a.m. JAPANESE NETSUKE, IVORIES & OTHER WORKS OF ART including a large collection of Netsukes. View: Tuesday, 9-4.30. Wednesday 9-10. III, Cat. £1.20 by post.
 Thursday, 10 May, 11 a.m. MUSICAL INSTRUMENTS. III, Cat. 52p by post.
 Friday, 11 May, 11 a.m. SILVER & PLATE. Cat. 37p by post.
 Monday, 14 May, 11 a.m. FURNITURE, CARPETS & OBJECTS. Cat. 37p by post.
 Monday, 14 May 2 p.m. OIL PAINTINGS. Cat. 37p by post.
 Tuesday, 15 May, 11 a.m. FURNITURE, CARPETS & WORKS OF ART. Cat. 37p by post.
 PHILLIPS WEST 2 Thursday, 10 May, 10 a.m. FURNITURE & OBJECTS. View: Wednesday 9.00-7.00 & Morning of Sale. Cat. 37p by post.
 PHILLIPS MARLBORNE Friday, 11 May, 10 a.m. FURNITURE & OBJECTS. View: Thursday 9.00-4.00. Cat. 37p by post.
 Phillips will be closed from 12 noon on Saturday 5th May to 8.30 a.m. on Tuesday 8th May.
 Phillips principal saleroom at 7 Bleanheim St., New Bond St., London W1Y 0AS. Tel: 629 6602.

RICHARD GREEN
 44 Dover Street London W1X 4JQ
 01-493 7877/8151 2277
 Tel: 25766 GREEN G
 Daily 10.00-6.00
 Sat 10.00-12.30
 10 May to 31 May 1979
 Exhibition of British Landscape Paintings
 William Shaver Sm. RBA (1786-1879)
 The Milk Maid
 Signed
 Canvas: 34x44in/86.5x122cm
 Exhibited: Royal Society of British Artists, 1846, no. 414
 Fully illustrated catalogue £5.00 including postage

Chestertons
 West End Offices
 75 Grosvenor Street, London, W1X 0JB
 01-499 0404
TO LET
 Prestige Offices and Apartment
 Park Street, Mayfair W1.
 7,000 sq. ft. approx.
 Lift; Central Heating; Magnificent Gardens;
 Terms—Upon application Ref:MG/CB.
 Chestertons, Chartered Surveyors. For all your property needs

ROYAL WINDSOR
 6,000 sq. ft. approx.
 Prestige new air-conditioned OFFICES with 14 car parking spaces—available immediately
 Further details from the Sole Agent:
B. S. CAMPSIE & CO.,
 80 Peacock Street, Windsor SL4 1DH
 Tel: Windsor 69055

EAST GRINSTEAD SUSSEX
 Former School Building close to town centre, consisting of Main Building, Sandstone Annex and Timber Accommodation totalling approx. 9,714 sq ft. Grounds with hard tennis court extending to 3.15 acres. Valuable Freehold for sale by tender.
 Please apply:
R. H. & R. W. CLUTTON
 92, High Street East Grinstead, Sussex
 Tel: (0342) 24131

ART GALLERIES
 ASH BARN. Until May 13th. Spring Exhibition of Paintings and Sculpture. Daily 10-5. Sundays 2-6. Closed Mondays. Winchester Road, Stroud, Petersfield, Hampshire. Tel. 0730 3652.
 BLIND FINE ART. 23, Sachville Street, W.1. 437 1232. LAIN MACNAIR and his Circle. Oil, watercolours and woodcuts. Until 12 May.
 BROWSE & BARRY. 19, Cork St., W.1. DECAS AND ROBIN — bronzes and drawings.
 BRITON GALLERY. An Anthology of FRENCH SCULPTURE. Falou, Houdou, Rude, O'Angers, Barre, Daubier, Carrier, Balthus, Falguère, Bonheur, Carpeaux, Lezot, Balon, Cassa, Rodin, Bourdelle, Naloff, Despiau, Wlrick. Until 26th May. 100 page catalogue £2. Briton, Somerset. Tel. 074-981 2205.
 COLNAGHI. 14, Old Bond St., London, W.1. 01-431 7408. PAINTINGS FROM MUMBAI INDIA. 19 April-19 May. Mon-Fri. 9.30-5. Sat. 10-1.
 COVENT GARDEN GALLERY LTD. "A PLACE IN THE COUNTRY" Spring Watercolours Exhibition. 20, Russell Street, W.C.2.
 DECORATIVE INTERIORS GALLERY. 01-332 8950, 274, Fehnam Road, London, SW10. Mon-Fri. 11 am-7 p.m. Presently exhibiting Emile Jacques Ruhlmann.
 DRIAN GALLERIES. 7, Routhamstead Place, Marble Arch, W.2. ANDRE LEOSNE. French Painter. 18.51 April. 10-5. Sat. 10-1. 01-725 1947.
 FINE ART SOCIETY. 44, New Bond St. W.1. 01-629 5116. "MORRIS AND COMPANY"
 LEFEBVRE GALLERY. CONTEMPORARY PAINTINGS. Weekdays 10-5. Sat. 10-1. At 30, Bruton Street, London, W.1. Tel. 01-493 1972.
 MALL GALLERIES, The Mall, S.W.1. PORTRAIT PAINTERS. Royal Society's Annual Exhibition. Mon-Sat. 10-5. Until May 15. Adm. 50p.
 DWELL GALLERIES, 22, Bury Street, St. James's, S.W.1. NEW SELECTION OF THE CENTURY ENGLISH AND CONTINENTAL OIL PAINTINGS. Our current stock comprises over five hundred selected works with prices from £400 to £2,000. For further details phone 01-833 4274-5.
 DWELL GALLERIES, 40, Alderman St., Finsbury, W.1. New selection of the century English and Continental oil paintings, including Blackford, Chubb, Deschamps, Delfin, Gross, Harve, Jacob, Passet, Robin, etc. and fine modern British marine paintings and watercolours.
 ROY MILLS. Victorian and Pre-Raphaelite Paintings. 6, Duke Street, St. James's, S.W.1. Telephone 01-430 1300.
 SANFORD GALLERY. Covent Garden. 1. "MORRIS AND COMPANY" Spring Watercolours Exhibition. The U.K. Drawings, Portraits, Watercolours, Engravings and the British Isles, including Roger de Grey, R. A. Rodney Brown, J. A. Alan Watts, John. Sat. 11-6. Tel. 379 6905.

CLUBS
 EVE, 189, Regent Street. 734 0537. A la Carte by Allan Munn. Three Spectacular Floor Shows 10.45, 12.15 and 1.45. Music of Johnny Hawkesworth & Friends.

Saleroom Advertising
 appears every SATURDAY
 For further information please contact:
RICHARD JONES
 01-248 8000, Ext. 323

ANTIQUE MAPS AND PRINTS FOR INVESTMENT
 Comprehensive catalogue service available or visit any of our galleries
COLLECTORS TREASURES LIMITED
 Hogarth House, High Street, Wotton, Bucks HP22 6DU
 Wotton 62402
 91 High Street, Amersham, Bucks HP7 0DU
 Amersham 7213
 Join the Map Collectors Club £5.50 per annum

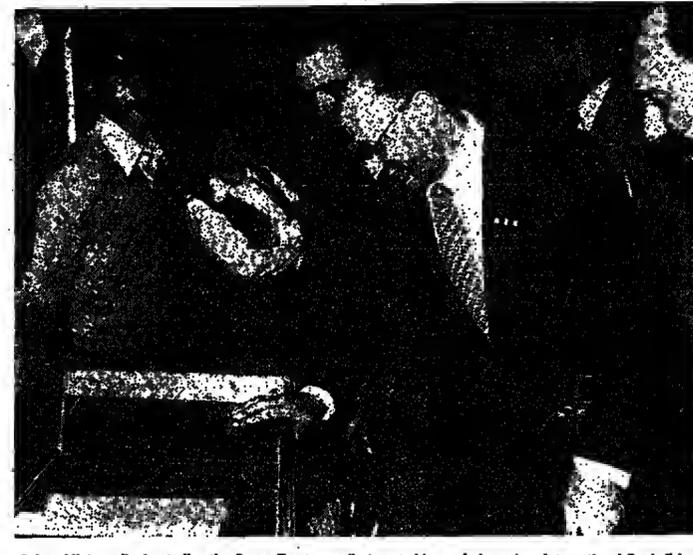
25%—50% PER ANNUM
 This is the average increase in resale value of a best-quality English coin, over the past 4 years. Invest now — send us telephone for list.
HUNT & GUN,
 Courching Street, Watlington Oxford
 Tel: Watlington (049161) 2015

ARTS 1

This way to the Peace Treaty

"This way to the Peace Treaty" announced a notice at the recent Jerusalem International Book Fair...

Russian, the British and the Jewish. In addition to making a revealing speech of acceptance, Sir Isaiah also appeared on Israeli television and answered some of the sharply formed questions in Hebrew...



Prime Minister Begin studies the Peace Treaty on display at this year's Jerusalem International Book Fair.

BOOK FAIR

Seccker and Warburg, Faber, Helsemann Educational Books, Barford, Mitchell Beesley, Pitman, Penguin, by several stands showing British Council publications...

At the same time quite a lot of business appeared to be getting done, not on the hectic scale of Frankfurt or even the more agreeable children's book show at Bologna...

A cluster of awards and presentations in addition to Sir Isaiah's surrounded the Fair. Lord Weidenfeld, Rudolf van den Brink of Elsevier Books...

juvenile artwork engulfing the city. Some of the copies were shown at the Fair in a gallery above the stands which had been turned into a play centre...

poetry, satire, general articles. They are comparable to the supplements in the pre-revolutionary Russian press to which Chekhov contributed sketches...

become known outside Israel and virtually impossible for him to live merely by writing books. The familiar compromise for a writer in the West, of bread-and-butter employment in teaching, journalism, publishing, the media...

know of these is the novelist Amos Oz whose books are published here by Chatto and Windus. Some of Oz's novels take place in a kibbutz, where the life-style provides superb material for a shrewd student of human foibles...

The name of Yehoshua seemed to be on the lips of everyone I spoke to in Jerusalem and at the Fair. They referred to his novel 'The Lover' which created a minor sensation when it was published in Israel...

English Bach Festival

Miss Lalandi does not do things by halves, or even by three-quarters. Having gathered together her Festival dancers, she assembled a Festival Baroque Orchestra, she is determined to make use of them on every possible occasion...

Concertin. It was a leaden account of this inspiring music — poorly perceived and imperfectly realised, needing alert intervention by harpichordist David Roblon to avoid disaster at one point.

Charles Pierce

Charles Pierce was born to play Country Cousin. Not only he an American, he is an American male who is never happier than when flouncing a petticoat. In addition he is carrying on an intense love affair with the Hollywood of the great period...

ence to laugh crudely to avoid a scene and the rest to withdraw into embarrassed shells. The silly thing is that there was no need to get so uptight. I thought he was doing rather well, if you like men in silver breeches cracking whips and evoking the memory of Barbara Stanwyck.

Poetry Jubilee

On May 24, the Poetry Book Society will celebrate its 25th anniversary. The society has distributed nearly 100,000 volumes of new poetry to its 1,000 members.

TV RATINGS

Table with columns for UK Top Twenty (Viewers m), 20 World in Action (Gran.), and U.S. Top Twenty (National Ratings). Lists various TV programs and their viewer numbers.

WEEKEND CHOICE

SATURDAY—BBC's Assignment, one of the best current affairs series on British television, offers an all-Soviet edition, including a look at the way the Russians saw the British election.

TV Radio

Table listing TV and radio programs for BBC 1 and BBC 2, including times and program titles like 'Northern Ireland', 'The Sky at Night', and 'The Hustlers'.

Table listing TV and radio programs for various regions including Scotland, Wales, and Northern Ireland, with program titles like 'The Hustlers' and 'The Masterspy'.

Table listing TV and radio programs for SCOTLAND, SOUTHERN, and TYNE TEES, including program titles like 'The Masterspy' and 'The Hustlers'.

Table listing TV and radio programs for ULSTER and WESTWARD, including program titles like 'The Hustlers' and 'The Masterspy'.

Table listing TV and radio programs for RADIO 3, RADIO 4, and RADIO 5, including program titles like 'The Hustlers' and 'The Masterspy'.

Table listing TV and radio programs for BBC Radio London, London Broadcasting, and Capital Radio, including program titles like 'The Hustlers' and 'The Masterspy'.

ENTERTAINMENT GUIDE

OPERA & BALLET: COLISEUM, Credit Cards, 01-234 2358. ROYAL OPERA COMPANY: The Barber of Seville, 01-234 2358.

THEATRES: ALBYTON, 01-234 2358. CAMBRIDGE, 01-234 2358. CHICHESTER, 01-234 2358.

THEATRES: BRURY LANE, 01-234 2358. NATIONAL THEATRE, 01-234 2358.

THEATRES: MAY FAIR, 01-234 2358. PALACE, 01-234 2358.

THEATRES: PALLADIUM, 01-234 2358. PHOENIX THEATRE, 01-234 2358.

THEATRES: PLYMOUTH, 01-234 2358. ROYAL OPERA, 01-234 2358.

THEATRES: ST. MARTIN'S, 01-234 2358. THEATRE, 01-234 2358.

THEATRES: WHITEHALL, 01-234 2358. CINEMAS: ABC 1 & 2, 01-234 2358.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC3A 4BY

Telephone: 01-323 3000

Telephone: 01-323 3000

ELECTION ANALYSIS... AND THE AFTERMATH

Why time is probably on Mrs. Thatcher's side

By MALCOLM RUTHERFORD, Political Editor

A five-year programme

MRS. THATCHER has won and won decisively. She has a majority which enables her to plan for a full five-year Parliament...

Two reasons

She won decisively for two reasons. Votes were swung because of the discontent with Labour's record and because her message that the time had come for setting out in a new direction got through...

This is something the new Prime Minister will have to keep constantly in mind. Her inheritance is not as easy as she would wish. The world outlook is anything but cheerful...

Industrial front

On the industrial front a number of public sector pay settlements are still outstanding—the teachers, the power workers, local government staff, industrial civil servants and the post office workers...

used at least to the appearance of having major influence on Government decisions. In the Commons her less experienced Ministers will have to cope with more experienced and well-briefed opponents...

Political skill

To set out the catalogue of Mrs. Thatcher's problems is not to say that she will prove unable to cope with them. She showed considerable political skill in her election campaign...

She would do well in particular to take very seriously the whole tenor of what Mr. Steel had to say. While the verdict of the electorate was clear, there were many indications that the Liberal insistence on the facility of straight adversary politics struck a popular chord...

Change wanted

The electorate has made it clear that it wants a change of direction. The size of the combined Tory and Liberal vote is evidence of the fact that a very substantial majority of the electorate has rejected Labour policies...

But for all, the electorate will be looking at every turn for evidence that new policies introduced by the Tories actually work. The memory of the winter of discontent is still very fresh—it was one of the chief reasons why Labour lost the election...

MRS. THATCHER has made it with a majority that should be easily sufficient to see her through a five-year Parliament. It is a tremendous personal achievement...

For the moment at least Mrs. Thatcher's Toryism has emerged on top. If she could run the country as she ran her campaign, there would seem to be few problems ahead.

Yet as the new Prime Minister surveys the country this morning, it must be clear that the inheritance, though desirable, is not without hitches. Nothing has changed in Britain, except the Government.

There is, first of all, the pattern of the results. It was a solid overall victory, but it was not an even one. The results in Scotland alone should serve as a warning for the future.

There is also the loss of Mr. Taylor mirrors the killing of Mr. Airey Neave at the beginning of the election campaign. Mrs. Thatcher has been deprived of two of her principal lieutenants within the course of a few weeks...



The ex-Prime Minister and ex-Chancellor of the Exchequer smile their farewells in Downing Street yesterday.

could be no clearer demonstration of the way running the British Government is not simply a matter of trying to get the economy right. There are some intractable problems that have been with us for decades...

Birmingham Northfield, which houses many of the workers at Leyland's Longbridge plant, with a swing of 10.2 per cent. Basilton, where there are a lot of Ford workers, was never even on anyone's list of potential Tory gains...

aircraft as a symbol of the new state-aided advanced technology, and where it had an exceptionally attractive candidate in Mrs. Helena Egan. Mrs. Egan lost her seat by nearly 3,500 votes. It was almost a case of Labour's privileged people biting the hand that feeds them...

uneasy question of the new government's relations with the trades unions. Policies which increase unemployment—however temporarily—by dismantling state aid, or raise the cost of living by a shift to indirect taxation, are likely to make these relations more difficult...

Letters to the Editor

Values

From Mr. P. Kelley. Sir—Exposure Draft 24 has once again brought inflation accounting to the fore. Once again it seems that inflation-adjusted increases in asset values will lead to increased depreciation, reduced net earnings for equity and presumably reduced dividends...

denied warrant itself, so that after payment in, all trace of the number is lost.

Could I also ask for a simple revision of S.522 of the Income and Corporation Taxes Act, 1978. For the past two years where the tax rate has been changed after April 5, the Bank of England, on paying dividends on Treasury, etc., stocks, has deducted tax (quite correctly) at the old rate during the opening months of the new fiscal year...

I would like official sources to disclose how many taxpayers fail to make this claim and how much windfall profit accrues to the Treasury through this failure to refund the 1 per cent. Alan P. Hughes, 136, Northey Avenue, Cheam, Surrey.

Travelling

From Mr. A. Smallhorn. Sir—The letter from Mr. R. Foster (April 27) brings to mind a further problem of travelling in this country. As one who travels well over 40,000 miles to all parts of the country by road, I am finding it increasingly difficult to gauge the time that it will take to reach my destination...

attempting to travel north of Birmingham on the M6; instead I take the train from Rugby with all the incompetent time-keeping that this entails.

Is not the electing of a new Parliament also a good time to question the concept of Government expenditure on roads? I understand that major roads are paid for by the Exchequer. Minor roads, "kerb manicuring," and all the small so-called improvements are paid out of rates...

Change. From Mr. D. Green. Sir—Within the next five years world oil demand will overtake supply, and in all probability national oil production will again fall below present demand internally. Unless by 1985 we have created the additional industrial capacity to pay accelerating international energy and other commodity costs...

Teachers

From Mr. J. Holden. Sir, There are other advantages enjoyed by Mrs. Isherwood's husband and by other state and local government employees which are not mentioned in her letter of April 28. Schools don't go bankrupt. Can she imagine depending entirely on her work for a private organisation whose existence depends on its ability to create sufficient gross profit to pay inter alia her salary?

Change

From Mr. D. Green. Sir—Within the next five years world oil demand will overtake supply, and in all probability national oil production will again fall below present demand internally. Unless by 1985 we have created the additional industrial capacity to pay accelerating international energy and other commodity costs...

Teachers

From Mr. J. Holden. Sir, There are other advantages enjoyed by Mrs. Isherwood's husband and by other state and local government employees which are not mentioned in her letter of April 28. Schools don't go bankrupt. Can she imagine depending entirely on her work for a private organisation whose existence depends on its ability to create sufficient gross profit to pay inter alia her salary?

Insurance

From the Secretary, British Insurance Association. Sir—In referring to the new rules relating to accounts and business requirements made under the Insurance Brokers (Registration) Act, your report (April 30) stated that the majority are shrewdly aware of the provisions...

Expatriates

From Mr. J. Smith. Sir—As with interest Michael Dix's article (April 26) on the Inland business school. The Dean is quoted as saying that no tax is payable either in the UK or France for someone who teaches in France for a period not exceeding two years. I would like to point out that this is not automatically the case and, for a person usually resident in the UK, there would be the liability to tax on 75 per cent of the earnings unless he could meet the rather rigorous conditions for claiming the 100 per cent deduction under the Finance Act 1977 Schedule 7, paragraph 1 or the non-resident status under Taxes Act 1970 Sections 49 and 50...

Accountancy

From the Immediate Past President, The Association of Certified Accountants. Sir—I am pleased to see that the executive director of the Society of Company and Com-

Expatriates

From Mr. J. Smith. Sir—As with interest Michael Dix's article (April 26) on the Inland business school. The Dean is quoted as saying that no tax is payable either in the UK or France for someone who teaches in France for a period not exceeding two years. I would like to point out that this is not automatically the case and, for a person usually resident in the UK, there would be the liability to tax on 75 per cent of the earnings unless he could meet the rather rigorous conditions for claiming the 100 per cent deduction under the Finance Act 1977 Schedule 7, paragraph 1 or the non-resident status under Taxes Act 1970 Sections 49 and 50...

Accountancy

From the Immediate Past President, The Association of Certified Accountants. Sir—I am pleased to see that the executive director of the Society of Company and Com-

EXERCISE CONTROL! MINITOR Pulse Tester. To be physically fit all you need is to take regular exercise at the optimum level for you. By monitoring your pulse rate you are able to check on your physical improvement, through knowledge of your pulse recovery rate and avoid the risk of overstraining. The Minitor is a light, hand held simple to use instrument, made in West Germany, which gives you a rapid digital read out so that you may monitor your own heart rate when you jog, swim, walk, etc. For further information post your business card to: IRE RELAYS & ELECTRONICS (UK) LTD. 124, Upper Richmond Road West, London SW 20. Telephone: 01-876 8841.

Handwritten signature or mark at the bottom of the page.

ELECTION ANALYSIS AND THE AFTERMATH

Some uninspiring reading for Sir Geoffrey Howe

THE FIRST task of the new Conservative Chancellor...

growth in exports which was last year seen as the strongest component of demand for UK...

an early start on financial diplomacy. The last government was reluctant to join the European Monetary System...

However, this is likely to prove a continuing and cautious programme, not some kind of anti-Socialist Sale of the Century...

serve. The increases in pensions and benefits already mentioned can be financed from this source...

The loss of Mrs. Williams: a cruel blow for Labour

IN THE General Election's most cruelly ironic moment yesterday, Mrs. Margaret Thatcher captured the 318th seat she required for a Tory majority...

native debater, prime generalist of its financial and economic policies, and loyal adviser. Mr. Pardoq will be a serious loss to the party.



Mr. John Tomlinson (Meriden) were also re-elected.

Mrs. Williams, one of Labour's leading moderates and a possible contender for the future leadership of the party, fell to a Conservative swing that swept Labour from all its seats in Hertfordshire.

One of the most popular members of the Commons, Mrs. Williams had played a prominent role in Labour's national campaign and may have paid a high personal penalty for it.

Added role

Mr. James Callaghan brought her into the Cabinet's inner circle in 1976, appointing her Secretary for Education and Science...

Mr. Hooson, leader of the Welsh Liberals, was one of the party's most experienced politicians having sat in the Commons since 1962.

Prominent left-wingers fell like anemic. Miss Margaret Jackson, junior education minister, who won Lincoln from Dick Taverne in 1974, lost it as his former vote switched to the Tories.

Indexing

He will start, no doubt, with the unfinished business of last April by indexing revenue duties, with perhaps something extra on petrol (5p rather than 3p a gallon) to compensate...

The Nationalists, in fact, were virtually eliminated as a significant political presence at Westminster. Mrs. Winnie Ewing, whose 1977 by-election victory in Hamilton, stimulated the party's emergence into national politics, lost her seat at Moray and Nairn.

Some of Labour's most promising young backbenchers succumbed to the Tory advance. Mrs. Helene Hayman, despite her strenuous campaigning for the aircraft workers of her Woburn and Hatfield constituency, was bundled out.

Uninspiring

What seems to emerge from this study is information of a picture which, while it is not alarming, is deeply uninspiring, offering only the chaoticistic comfort that others are likely to be much worse off than we are.

But it was among Labour's middle-ranking and junior ministers and its backbenchers that the Election naturally wrought the most havoc. Though Dr. David Owen narrowly retained his seat, his former Foreign Office colleague, suffered heavily.

On both sides of the Commons, there was an injection of new young blood. Mr. Christopher Patten, head of the Tory Research Department, was elected for Bath; Mr. John Peffen, a distinguished young academic and former party researcher, captured Oxford.

Table with columns: PUBLIC SECTOR BORROWING REQUIREMENTS, Year, Amount (£m), Party Rule.

straightforward, as Mr. Callaghan was at pains to point out during the campaign. The Conservatives aim to cut both taxes and the borrowing requirement...

The impact of realistic sums for public sector pay involves some guesswork, since neither the comparability levels nor the staging of increases is yet settled...

These are indeed Conservative policies, but they do not tell the whole story. A programme of selling public sector assets, which has been promised by critics as a combination of bribes to council house dwellers and doctrinaire de-inflationism is also of great importance financially.

As an illustration of the sort, a reduction of all tax rates from top to bottom, by 2p as an earnest of intent would cost £1.2bn. The cost of extra cuts in the very high rates would be trivial and would in any case accrue next year.

This may appear simply a hiding-over measure, one rather than the other, but as a way of reducing required cuts, of all things is no illusion about it: selling equities or public sector houses has new sources of investment demand, in the City's view, much of Mr. Heslop's trouble has been due to inflation in the city market...

Response

Mr. Denis Healey had already planned to respond to these pressures by making a very cautious start on the relaxation of exchange controls in his Budget—the idea is simply to balance the foreign capital inflows which are driving the pound up by allowing outflows from the UK in finance the overseas investments in plant and factories which British companies are already making...

Avoc

But it was among Labour's middle-ranking and junior ministers and its backbenchers that the Election naturally wrought the most havoc. Though Dr. David Owen narrowly retained his seat, his former Foreign Office colleague, suffered heavily.

Philip Rawstorne

A tough, perhaps dangerous, road to negotiate on the pay front

UNION CLAIMS that a Conservative Government means inevitable confrontation, are likely to die away now that the election is over. There is bound to be a lull while the new cabinet decides how far and fast to carry out the legislative forms promised in the Tory manifesto...

The present generation of trade union leaders, with the possible exception of Mr. Moss Evans of the Transport Workers, is pretty moderate. But even the least militant of these moderates seem convinced—or have convinced themselves—that it is but a matter of time before the Tories start a fire. It could be the law, it could be jobs, or it could be pay.

That view, of course, may be no more than speculation born out of disappointment—and perhaps pent-up frustration at the unwillingness or inability of Mr. Callaghan's Government to do more on employment (through selective import controls, for instance) and less on wage control.

within the biggest union, UCATT: the Transport Workers are sounding more militant. The English bank staff, now without a national agreement, may give some trouble unless their employers match the deal done by their Scottish counterparts. And the town hall staff members of the National and Local Government Officers' Association, may not easily be persuaded to take less than those manual workers secure from Professor Clegg's standing commission.

hoped his "voluntary" 5 per cent limit on settlements would produce. The new Government will try to find comfort in these figures—the wide spread of settlements, for instance—as it embarks on its policy for incomes: no direct interference in the private sector; no subsidising of "excessive" pay deals in nationalised industries; and in central and local government, bargaining: "within the limits of what the taxpayer and ratepayer can afford."

On the surface, the TUC will patient and polite. But underneath, such is its distrust of industrial and Mrs. Thatcher's policies of Mrs. Thatcher that Sir Keith Joseph, that the Tories will be a hostile force. The first sign of a hostile force, for instance, is a faintly interested, if not a faintly active, Mr. James Pardoq, who was confirmed as the Secretary of State for Environment, were passed over for someone closer to Mrs. Thatcher. It would be seen as proof that Mrs. Thatcher meant to try out all that she has promised—and possibly a great deal more. (The unions continued throughout the campaign that the manifesto was all of innuendo) but short real information.

Perhaps the first pressing question for the new Government in its relations with the unions will be how to deal with the Clegg Commission's findings on public service pay.

The Conservatives take over towards the end of the 1978-79 bargaining round, which will make life a little easier for them. At the same time, and not merely because the round had been somewhat delayed, there are several potentially serious hitches to be overcome—not least the possibility that the power workers' ballot will throw out their negotiators' deal as the postmen have already done. Warning noises are also coming from the right-wing led Engineering Union about the meanness of the employers in this year's negotiations on the national minimum earnings agreement.

The arithmetic of the 1978-79 round appears to be a "going rate" of 15 per cent increase in earnings, of which perhaps 5 per cent could be put down to a productivity agreement. The latest available earnings figures for February suggested 14.9 per cent. About 6m of the 12m workers whose agreements are annually monitored by the Department of Employment have reached agreements. Of those something under 3m are in the public sector.

in the construction industry, despite the unions' likely rejection of the "final" offer, there seems little mood for action

STOP! CHECK THIS LIST OF SHARES. Advertisement for The Trader magazine, listing various shares and offering a free trial.

UK COMPANY NEWS

Kwik Save advances to £5.2m despite strikes

TAXABLE profits of Kwik Save Discount Group advanced from £4.1m to £5.2m in the half year to March 31, 1979. The increase—on sales up £4m to £125.1m—was made in spite of the bread strike, the haulage dispute and the severe winter.

Interest received was ahead from £55,000 to £74,000. After tax of £2.72m, compared with £2.39m, the available surplus comes out at £2.51m, against £2.12m.

Pre-tax profits for the whole of last year were £9.7m (£8.6m) turnover of £192.9m (£182.4m).

The directors say that by the end of March, 12 new stores had been opened, 14 Cee-n-Cee stores converted and two closed.

The interim dividend is lifted from 1p to 1.1p net per 10p share. Last year's total was 2.8398p.

comment Despite a six week bread strike,

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corrected dividend, Total for year, Total last year. Includes companies like Brit. Ind. and Gen. Int., Drayton Gensol, Francis Shaw, etc.

Strong sterling leaves Jas. Neill down by £1.7m

FOLLOWING THE downturn from £20.6m to £15.4m in the first half, James Neill Holdings, toolmaker and general engineer, reports pre-tax profits of £2.02m for 1978 compared with £3.73m in the previous year.

The directors say the biggest factor in the overall decline in profitability was that export sales fell short of target, partly due to political and economic changes but largely to the unexpected strength of sterling.

Exports were a long way short of group targets and the recent index of mechanical engineering prices, expressed in Deutsche marks, shows just why UK sale prices rose 8 1/2 per cent last year while those in Japan, the US and Germany fell by 3 per cent.

Goodyear forced to repay pref.

The troubled Goodyear Tyre and Rubber Company (Great Britain), a wholly owned subsidiary of the big U.S. tyre group, has been forced by continuing trading losses into repaying its 1.2m preference shares.

Repayment will be on the basis of 40p per 2.8 per cent cumulative redeemable preference share, an increase of 2p per cent on Thursday's mid market price of 31p.

term stock which reflects the recent upward movement in Government bond yields.

The full terms are 10.75 per cent for five years, 10.85 per cent for seven years, 10.95 per cent for ten years and 11 per cent for 15 and 20 years.

The joint underwriters are Sharebroker Bain and Company, and Merchant Banker Citinational.

comment

Audiotronics warns of losses

MR. GEOFFREY ROSE, whose Anglo-British consortium came into Audiotronics last summer with a "rescue package", is preparing shareholders for the worst.

Mr. Rose was adamant yesterday, however, that the dividend on the preferred shares would be paid "when it is due".

On the trading from Mr. Rose's takeover, Audiotronics' poor performance to the lorry drivers strike and adverse weather in the crucial final period which includes Christmas.

BP debenture offer in Australia

British Petroleum Company of Australia is making a \$350m debenture offer to the Australian public. The local arm of the multinational is tapping the fixed-interest market at a time of confusion over the direction Australian interest rates will take in the near future.

BP is pitching its offer with a rate of 11 per cent for long-term stock which reflects the recent upward movement in Government bond yields.

The full terms are 10.75 per cent for five years, 10.85 per cent for seven years, 10.95 per cent for ten years and 11 per cent for 15 and 20 years.

The joint underwriters are Sharebroker Bain and Company, and Merchant Banker Citinational.

The interim dividend is lifted from 1p to 1.1p net per 10p share. Last year's total was 2.8398p.

Blue Circle plans for growth

IN his annual report, Sir Rowland Wright, chairman of Blue Circle Industries says that the group has a number of major projects under way in several parts of the world and he looks to continued growth from these developments.

Referring to the group's change of name from Associated Portland Cement Manufacturers, the chairman says the new name much more closely reflects the growing diversity of interests and should help to establish a more realistic appreciation of the group's activities.

For 1978, the group reported pre-tax profits of £50.6m against £37.9m on turnover of £436.7m compared with £370.8m. CCA profit is reduced to £49.8m after adjustments for depreciation, £21m, cost of sales, £2.8m and gearing, £2.2m.

Capital expenditure authorised during the year in the UK was £48.2m (£24.9m) and £7.7m (£3m) overseas. UK capital expenditure during the year was £25.2m (£18.6m) and £7.4m (£3.5m) overseas.

At December 31, UK capital commitments amounted to £45.6m (£22.6m) and £2.6m (£4.3m) overseas.

Results due next week

A healthy profits increase is expected to be announced next Wednesday by Sears Holdings, the stores, footwear and engineering group.

Analysts are expecting a pre-tax profit of between £87m and £92m, which compares with £65.5m for the previous year.

Bad weather last year should have helped the group's footwear division, which will probably contribute the majority of the profit, while a strong earnings rise from the William Hill book-making chain is expected to neutralise the impact of the Ford strike on the motor distribution side.

On Wednesday, J. Sainsbury is due to report full-time figures and like most other food retailers it has benefited from the slackening of the price war. Having been able to increase profit margins the company is expected to reveal profits of around £33m which represents a rise of about 20 per cent.

Far better news, however, is expected on Tuesday when Marks and Spencer releases its preliminary results. Analysts are projecting profits up by around £25m to £27m which thanks to buoyant retailing conditions and a useful turnaround in Canada.

Table of Dividends Announced with columns: Company, Announcement date, Dividend (p), Last year, This year. Includes companies like Alliance Assurance, Axa, Baxi, etc.

The cross channel and shipping division remains the dominant contributor and despite some industrial problems in the first half is forecast to make higher profits of £18m (£15.2m).

Ulster TV ahead in first half Turnover of Ulster Television increased from £2.6m to £2.94m in the half-year ended January 31, 1979, and profits were £434,000 against £380,000 before tax of £226,000 compared with £198,000.

Unilever Computer Services Unilever Computer Services, a wholly owned subsidiary of Unilever, has announced its annual trading profits for the first time in its ten-year history.

Esso down to £29.4m Esso Petroleum, the UK subsidiary of Exxon, the largest US oil company, reports net profits down from £44.1m to £29.4m for 1978. This includes a £1.5m foreign exchange gain of £1.5m (£54.1m). Turnover last year was £2,250m compared with £2,241m.

BIDS AND DEALS

U.S. buyer for Liverpool Post lossmaker

The Liverpool Daily Post and Echo has agreed to sell off its loss-making retailing subsidiary Rickey for £2.3m, and profits were £434,000 against £380,000 before tax of £226,000 compared with £198,000.

Post and Echo relinquishes a subsidiary which has made exceptional calls on group management time recently, and gains funds to continue to develop other successful subsidiaries.

Writing to advise shareholders to accept the 115p a bid offer from Rockwell Wilmot's directors, the chairman said that the event that your board had been minded to dispose of these European motor component activities on their own it is inconceivable that we would have been prepared to do so for less than £28m.

Wilmot's directors surprised the market earlier in the week by concluding that balance it was in the interests of shareholders to accept the Rockwell offer now although they still

WILMOT BREEDEN Wilmot Breeden has told its shareholders that the company's European motor component activities on their own are worth more than the £24m placed on the entire group by Rockwell of the US.

WILMOT BREEDEN Wilmot Breeden has told its shareholders that the company's European motor component activities on their own are worth more than the £24m placed on the entire group by Rockwell of the US.

SUMMARY OF THE WEEK'S COMPANY NEWS

Bids and deals

F. J. C. Lilley, the construction company, made an agreed offer for ACE Machinery, manufacturer of hoists and winches for the construction industry.

In a surprise move, Wilmot Breeden dropped its opposition to the 115p cash per share bid from Beowulf International.

Lourho was unsuccessful in its first attempt to take over Scottish and Universal Investments. Acceptances to the offer together with its own 30 per cent stake leaves Lourho with 46.4 per cent and the offer has been extended until May 11.

Louis C. Edwards, the meat process group, is acquiring the privately-owned Yorkshire Meats for £1.8m. The purchase is being financed through a rights issue and the acquisition is the first step in the Edwards's policy of expansion in the food sector.

Damatex AG, a subsidiary of the West German textile group Goetz, made an offer for 40 per cent of the ordinary shares of UK clothing concern Tricoville at 100p each, while the latter is to acquire Bawtex Textil GmbH and Trandman GmbH from Damatex.

Thomas Tilling sold Cox and Wyman, its paperback printing subsidiary, to McCorquodale for £2m cash.

Johann Group Cleaners is buying James Hayea and Sons, a subsidiary of J. Lynns, in a cash deal worth £2.13m.

Table with columns: Company bid for, Value of bid per share, Market price, Price before bid, Value of bid, Final Acc'ce date

Table with columns: Company, Price in pence unless otherwise indicated, Value of bid, Final Acc'ce date

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ** Date on which scheme is expected to become operative. *** Based on 4/5/79. †† At suspension. ††† Estimated. §§ Shares and cash. ¶¶ Unconditional.

Rights Issue

Provincial Laundries: One-for-two at 20p.

PRELIMINARY RESULTS

Table with columns: Company, Year, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p)

Table with columns: Company, Year, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p)

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p)

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † First quarter. ‡ Gross. § Nine months. ¶ For 12 months. L.Loss.

Scrip Issue

Wire and Plastic: Two-for-five.

APPOINTMENTS

Senior posts at Glanvill Enthoven

GLANVILL ENTHOVEN, insurance broking subsidiary of Charterhouse Group, has made the following appointments. Mr. J. C. Little, executive chairman, Glanvill Enthoven (Reinsurances), Mr. D. Shearman, joint managing director, and Mr. P. J. Croft and Mr. D. Knight, directors, Mr. C. Clements, Mr. D. J. Orrey, Mr. D. Shearman and Mr. N. J. Miller, directors, Glanvill Enthoven (Marine); Mr. J. L. Gomes da Silva, a director, Glanvill Enthoven (Aviation); and Mr. F. D. Lett, managing director, Glanvill Enthoven (Scotland) and Mr. F. W. Winter, director.

GRINDLAY BRANDTS INSURANCE HOLDINGS, a member of the Grindlays Bank group, states that Mr. Irvin, a director, has joined the insurance group as a director of a subsidiary being established to provide specialist services to the construction and contracting industry worldwide, including in particular arranging cover under design and construct professional indemnity policies and construction and erection all risks policies.

Mr. Robert R. Davis has joined ARRIS BANK, CHICAGO as international economist in the economic research office and leads the bank's international economic research section. HILL SAMUEL LIFE ASSURANCE has appointed Mr. T. W. Fleeting-Smith as general manager direct sales, reporting to Mr. Paddy Ross, marketing director. Mr. Fleeting-Smith has been with Hill Samuel Life for 12 years.

ENTAL ASSURANCE COMPANY OF LONDON, a member of the Ina Corporation Group, has made the following appointments. Mr. Ray F. Bradley has been appointed director and commercial manager of Cashmores' General Steels Division and a director of GLYNWED STEEL STOCKHOLDINGS. He was formerly divisional sales manager of the Eastern Steels Division.

Mr. D. A. Earler has been appointed chief estate surveyor (development) at the BRITISH RAIL PROPERTY BOARD headquarters in place of Mr. W. T. Beston, who has retired. Mr. R. C. J. Bray becomes estate surveyor and manager, Southern Region and Mr. A. E. Monks, ARICS, estate surveyor and manager, Eastern Region. The new appointments are effective from May 21.

Mr. Russell W. Hofman has been appointed a director of PREMIER CONSOLIDATED OILFIELDS. He is president of the company's American subsidiary, Premco Petroleum Inc.

Mr. G. L. Williams, chief accountant and Mr. E. McE. Cameron, company secretary of NORTH WEST SECURITIES have been appointed executive directors. Mr. R. A. Allen retires from the board at the end of July. The company is the finance house subsidiary of the Bank of Scotland.

Mr. William Bryson has been appointed a director of HERON MOTOR GROUP, and managing director of its Scottish motor car retailing company Rossleigh. Mr. John Morimer becomes chairman of the Heron Fleets and Heron Leasing and Mr. K. D. Gillies has been appointed a director of L. E. HEATH and CO. (AGENCIES).

Mr. Gordon Fitch has been appointed director of engineering services, CROWN AGENTS, in succession to Mr. E. A. Kirkby who leaves on May 14. Prior to joining the Crown Agents, Mr. Fitch held senior executive positions in industry including that of director of construction for Davy Powergas. Mr. K. D. Gillies has been appointed a director of L. E. HEATH and CO. (AGENCIES).

Chairman change at Berec

Mr. Colin G. Stapleton, chief executive of the BEREC GROUP, has been appointed deputy chairman and will become chairman after the annual meeting on July 11. Mr. Lawrence W. Orchard retires as chairman and from the board on that date.



Mr. Colin G. Stapleton

New executives in Bass group

Mr. G. V. Parker will be retiring as managing director of Bass North from October 1. He will be succeeded by Mr. G. A. Sykes. Mr. Parker will continue as chairman of that company in a non-executive capacity. At Chiswick, Mr. H. Chiswick-Marks will be retiring as chairman to be replaced by Mr. J. P. U. Barr from July 1. BASS LIMITED is the parent concern.

Mr. Trevor Green has been appointed secretary to the housing division of FARMAC in place of Mr. Sam Pickett, who has been made deputy managing director. Mr. Green will continue as divisional solicitor to the housing division.

Mr. A. S. Cullen, Mr. N. A. de Zoete and Mr. L. Vickers will be joining the partnership of DE ZOETE AND BEVAN, stockbrokers, on May 8.

Mr. Trevor Went has been appointed assistant director (administration and finance) to the North East Regional Airport Committee which controls NEWCASTLE AIRPORT. He succeeds the late Miss Eileen O'Kane. Air Marshal Sir Ivor Broom and Mr. George F. King are joining the Board of WANSBROUGH-WHITE AND CO. with particular reference to the development of Graphical Area Navigation—marine and aviation charts and products. Sir Ivor is Chief of the National Air Traffic Service, Royal Air Force, and Mr. George King retires as manager of the charting department of Decca Navigator on May 6.

Mr. Douglas joins Thorn from Plessey Communications Systems where he was managing director. Mr. E. T. Stephens, who has been general manager of Thorn-Ericsson Telecommunications since its formation in 1973, is to take up a new post with L.M. Ericsson in the U.S.

Mr. Geoffrey L. Baylis has become assistant managing director of NORTH EASTERN EVENING GAZETTE, of Thomsons Regional Newspapers.

Mr. F. W. Siera has retired as chairman and from the board of the STERN OSMAT GROUP. Mrs. F. E. Siera and Mr. E. J. C. Moun, non-executive directors, have also resigned from the board. Mr. E. B. M. Grubb, chairman of GKN Distributors has been appointed chairman of the Stern Osmat Group. Mr. J. A. Fox continues as deputy chairman and as joint managing director (with Mr. K. S. Wilson) of Osmond and Matthews (trading as the Stern Osmat Group) the main operational company of the group. Stern Osmat is a subsidiary of GKN Limited.

Mr. Michael Herries has been elected deputy chairman of the court of directors of SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY in succession to Mr. A. I. Mackenzie, who continues as an ordinary director of the Society.

Mr. Ivan K. Soli has been appointed a director of MITCHELL CUTTS GROUP. He is managing director of Mitchell Cutts, Johannesburg.

Vicennat Jocelyn has been appointed managing director of ROBT. ARNOLD & CO.

Mr. Gilberto Sandretto has been appointed to the Board of SANDRETTO PLASTICS MACHINERY, a subsidiary of F.lli Sandretto, Turin, Italy. He will continue to work from the Turin head office.

Mr. Jim Humble has become director of the METRICATION BOARD. Tan Sri Lee Lay Seng and Mr. Charles Letts have joined the Board of YULE CATTO AND CO.

Economic Diary

MONDAY — European Parliament in session, Luxembourg. TUESDAY — National Enterprise Board annual report. Teachers begin working strict five-hour day. Meetings of EEC Agriculture and Foreign Ministers, Brussels. Statement by Confederation of British Industry on EEC policy document. Liberal Party launches European Election campaign. Society for Civil and Public Services conference opens, Conference Centre, Brighton. Civil Service Union conference, Nurbuck Castle, Blackpool. Hire purchase and other instalment credit business (March). Wholesale price index (April provisional). Retail sales (March final). WEDNESDAY — New Parliament summoned to elect Speaker and to swear in members. Engineering pay talks resume, Tuthill Street, London. London clearing banks' monthly statement (mid-April). THURSDAY — Herr Helmut Schmidt, West German Chancellor, begins visit to Britain. Confederation of Shipbuilding and Engineering Workers meet, Imperial Hotel, London. Sir David McNee, Metropolitan Police Commissioner, opens European police conference, Lancaster House, London. CBI Industrial Trends Survey (April). Central Government transactions (including borrowing requirement) (April). FRIDAY — National and Local Government Officers' Association special meeting on pay claim, Central Hall, Westminster. Sir Derek Ezra, chairman, National Coal Board, at "Scottish Dinner" dinner, North British Hotel, Edinburgh. Retail prices index (April). Building Societies' receipts and loans (April). Usable steel production (April). SATURDAY — Mrs. Margaret Thatcher, address, Scottish Conservative Conference, City Hall, Perth.

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Stephen Cooper 01-248 8000 Extn. 7008

ABERDEEN TRUST LIMITED Six Months to 31st March, 1979. The Directors have declared an interim dividend of 1.35p net per ordinary stock 25p unit which will be paid on 22 June 1979. The interim dividend last year was equivalent to 1.167p net after adjusting for the one for two scrip issue in January 1979.

Yule Catto & Co. Limited Results 1978 1977 Turnover £12,743,864 £10,144,107 Profit before taxation £2,800,827 £2,488,940 Profit after taxation £1,377,026 £1,217,520 Profit attributable to shareholders £1,171,982 £1,217,520 Earnings per share 7.06p 7.87p Dividends per share 1.54p 1.387p Assets per share 71.9p 76.7p

ARE YOU READY FOR THE GREAT THATCHER BULL MARKET? The next few years are likely to offer boundless opportunities to make money in the stock market. But not all shares will rise. Equity Research, the subscription-only investment newsletter, has a fair for picking the winners. Give us a trial — it costs nothing.

This advertisement has been placed by the Board of The Debenture Corporation Limited. Debenture Corporation The Net Asset Value computed on a "Going Concern" basis* at the close of business on 3rd May, 1979 was 109.1p per share

DO YOU KNOW HOW TO READ A BALANCE SHEET? The ILO handbook which the Financial Times on 14th April, 1979, recommended as a "comprehensive guide to a complete art." A course for newcomers to investment and for anyone wishing to gain a thorough understanding of information provided by balance sheets. The course can be completed in about 9.5 hours—that is a week of bus commuting to the City for only £2.

Publication of the PHOTOGRAPHIC EQUIPMENT BUYERS GUIDE has been postponed to TUESDAY, 8TH MAY

INSURANCE BASE RATES Property Growth 111% Vanbrugh Guaranteed 10.12% Address shown under Insurances and Property Bond Tables.

CLIVE INVESTMENTS LIMITED 1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101. Index Guide as at May 1, 1979 (Base 100 on 14.1.77) Clive Fixed Interest Capital 155.61 Clive Fixed Interest Income 127.61 ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London, EC3V 3PB. Tel: 01-623 6314. Index Guide as at May 3, 1979 Capital Fixed Interest Portfolio 115.15 Income Fixed Interest Portfolio 105.15

Get Timely Advice Sent to you every Wednesday, the IC News Letter gives you expert share recommendations on the right day for you to act, for the greatest benefit. Take a subscription to this unique investment service, and see the advantages for yourself.

Companies and Markets

WORLD STOCK MARKETS

Wall St. eases on credit fears

INVESTMENT DOLLAR... \$2.60 to \$1.55 (37%)... Effective \$2.0780 (24%)... AN EASIER TREND prevailed to moderately active trading on Wall Street yesterday morning...

Foreign stocks mostly mixed, with Platinums showing marginal gains... BRUSSELS—Mostly higher in moderate trading... TOKYO—Higher in trading although late profit-taking...

By 1 pm the Dow Jones Industrial Average was off 2.60 at \$64.99, making a net loss of 1.55 on the week, while the NYSE All Common Index, at \$57.38, shed 10 cents on the day and 12 cents on the week...

PARIS—Steady in quiet trading... CONSTRUCTIONS and Oils firmed, Motors, Metals and Chemicals eased, Electricals and Department Stores mixed...

Indices table with columns for May 1979, High, Low, and Since Comp'l't'n. Includes NEW YORK DOW JONES and STANDARD AND POORS.

NEW YORK table listing various stocks like Abbott Labs, Alcoa, and Amstar with their respective prices and changes.

NEW YORK table listing various stocks like Apple, IBM, and Microsoft with their respective prices and changes.

Table with columns for May 1979, High, Low, and Since Comp'l't'n. Includes various market indices.

Table with columns for May 1979, High, Low, and Since Comp'l't'n. Includes various market indices.

Table with columns for May 1979, High, Low, and Since Comp'l't'n. Includes various market indices.

F.T. CROSSWORD PUZZLE No. 3,964

A prize of £5 will be given to each of the senders of the first three correct solutions... Solutions must be received by this Thursday...

Crossword puzzle grid with clues for Down and Across words.

RACING BY DOMINIC WIGAN

Boitron is each-way hope for Guineas

PITASLA, the French entry, failed to impress on Thursday, but I feel sure that this will not be the case with fellow countryman Boitron to today's 2000 Guineas...

Second quarter optimism at Avon

LOS ANGELES—Avon Products, the cosmetics concern, expects "good" earnings for the second quarter compared with the 84 cents per share produced a year ago...

AGROSS crossword puzzle grid with clues for Down and Across words.

Table with columns for May 4, Price, + or -, Div. Yld. %.

Table with columns for May 4, Price, + or -, Div. Yld. %.

SOLUTION AND WINNERS OF PUZZLE No. 3,958

Following are the winners of last Saturday's prize puzzle: Mr. L. Harris, Field House, Hoveston, St. John, Norfolk NR12 8UR...

Table with columns for May 4, Price, + or -, Div. Yld. %.

Table with columns for May 4, Price, + or -, Div. Yld. %.

The dream of becoming the Middle East's 'breadbasket' fades Sudan's euphoria gives way to economic austerity

BY JAMES BUXTON

THE OIL EMBARGO the Arab states imposed after the 1973 war with Israel did not frighten the industrial countries alone: the oil states themselves started to worry about the possibility of a western embargo on one of their essential imports, food. The idea caught on in making one Arab country, Sudan, into a major food supplier in the rest of the region. It may be underdeveloped, but the country has plenty of water, sunshine, and good soil.

Aid and commercial investment both for the slender transport system and for agriculture itself would, it was reckoned, transform Sudan from food importer into large scale exporter by the mid-1980s. An Arab Authority for Agricultural Development and Investment was set up to co-ordinate aid and investment and to complement the efforts the Sudan government was already making to develop the country. As enthusiasm for Sudan grew in the Arab world and in western countries, it became known, prematurely, as the "breadbasket" of the Middle East.

Now the euphoria is over. Last summer the Sudanese Government, with arrears on external payments of almost \$360m and a prospective balance of payments deficit for the current financial year (ending in June) of \$400m, had to devalue the Sudanese pound by 20 per cent. Development spending has been held down as part of harsh austerity, and virtually no new projects are being started. Foreign exchange is still so short that oil can only be imported as and when the money is available, and the Government is trying to arrange a three-year Extended Fund Facility with the IMF.

The Sudanese and the rich Arab states are both disillusioned with each other. The rich Arabs call the Sudanese incompetent muddlers, and are called tight-fisted in return. One does not hear the word breadbasket so often now. The concept is still feasible, but will take longer than was originally envisaged. For the moment Sudan is working hard to increase its export earnings and has a good chance of doing so. But for the longer term many Sudanese are beginning to have doubts about the whole idea of the breadbasket. It was, they recall, conceived primarily as a solution to other people's problems, not their own.

The economic crisis came to Sudan because it pressed ahead with development spending and heavy foreign borrowing without being assured of the short term support needed to finance the consequent rise in imports. Development spending by the Government increased tenfold in six years, and Sudan's debt (much of it on concessionary terms) rose from \$252m in 1971 to at least \$1.3bn today. Development led to enormously increased imports of non-capital goods, especially oil. Cotton, which formerly met the bulk of Sudan's foreign exchange needs, may this year—admittedly a poor one for cotton—only just cover the estimated fuel bill at least \$270m. From 1976 onwards Sudan received no programme aid (payments and budgetary support) from its Arab backers, even though they and other aid donors provided at least as much project aid as the country could absorb.

Heavy strains

Yet still apparently believing that Saudi Arabia and Kuwait, his two most important financial backers, would come to his rescue, President Jaafar Mohammed Nimeiri of Sudan pressed on until the strains became unbearable. Heavy government borrowing from the central bank added to imported inflation, and the weakness of the transport system caused agonising physical strains—port congestion and the partial paralysis for lack of spare parts of the railway system. That not only delayed imports, but prevented potential exports getting out. As many as 40 per cent of all locomotives have regularly been sidetracked. Discontent with inflation often caused strikes.

Iraq and Kuwait, Sudan's main oil suppliers, forced Sudan into devaluation and agreement on an economic reform package with the IMF last June by withholding oil until bills were paid, while the Saudis withheld cash. An IMF first credit tranche brought Sudan SDRs 21m (about £13m) while Saudi Arabia made a \$300m cheap loan for payments support.

But Saudi Arabia set off a further supply crisis early this year, of the kind that nearly brought down the government last summer, by paying up only the first tranche of the loan. It

considered Sudan was not negotiating seriously with the IMF for a three year extended fund, facility which should bring in SDRs 200m and a further \$600m from the Arab oil states.

However, the latest negotiations with the IMF seem to have gone fairly well, and the Saudis have paid up a further \$30m, promised a further tranche and guaranteed oil supplies. The IMF's seal of approval should help Sudan save off its Eumarket debts.

The Ministry of Planning and the World Bank have been working out a three-year interim development programme, with more realistic financial and physical targets than the official six-year plan. The aim is to complete current projects, raise production from existing resources, to increase exports and fill crucial gaps in the infrastructure. Several projects started since 1974 are to be completed within the next year or two: they include extensions of the acreage of the new Rahad irrigation scheme for cotton and other crops; the Kenana sugar project, conceived and originally managed by Lorhio, and due to come onstream early two years late at the end of this year, designed eventually to make Sudan a sugar exporter. A hard surface road network linking the capital and Port Sudan should be complete by the middle of next year.

A less glamorous but equally essential objective is the revival of older irrigation schemes that have run down: raising output from existing sugar, cement and textile factories; and a further effort to resuscitate the railways, still potentially the best form of transport in a vast country. The emphasis is on pragmatism, financial control and maintenance, after the haphazard project selection, lax spending discipline and sloppy upkeep of equipment in the past few years.

Even so Sudan will still face the most serious problem that has hampered it since the nil price began to rise, a manpower shortage. When Sudan had finally obtained some of the capital it had always wanted, many of its best trained men, from skilled administrators to mechanics and welders, poured out of the country in their thousands to take jobs in Saudi Arabia, Libya, and the Gulf. Some Sudanese officials, when

they take their mind off their immediate problems, are beginning to ask how far Sudan really wants to go towards becoming a large scale food exporter. The experience of the past few years has shown that agricultural exports need to increase very fast indeed to keep up with the rising volume and price of oil imports and the cost of debt servicing. The terms of trade have moved against the agricultural exporter.

When everything the country wants to export and import has to be transported many hundreds of miles at great expense some people are seeing the attractions of an economy less dependent on imports and of developing a set of local centres of production for self-sufficiency. So far the emphasis in development has been on repeating the Gezira scheme—the vast irrigated cotton project built by the British in the 1920s and 1930s. Sudanese have enormous experience of this kind of project but less attention has been devoted to the fertile rain fed areas of the west and the south, where subsistence farming is often in decline.

Small schemes

A number of relatively small schemes for improving traditional agriculture in these areas are getting under way and the new trend can be seen in the somewhat drastic steps for devolving the power of several key ministries to the provinces which President Nimeiri suddenly announced in February. Perhaps the most telling sign that the breadbasket dream has faded is the fact that the Arab Authority that was once expected to handle about \$6bn worth of aid and investment over a 10-year period from 1976, has yet to commence any projects.

Though nearly 30 per cent of its \$550m capital has been paid up it does not, as was originally envisaged, have the authority to co-ordinate the bulk of Sudan's foreign aid and blend it with commercial investment. Nor does it have the full supranational powers originally thought essential to by-pass Sudanese bureaucracy. Six years of decidedly mixed experience with large Arab aid has left Sudan determined to run its economy, for better or for worse, in its own way.

HOTELS

With charm in the heart of Zurich

Exclusive with common sense...

...as our traditional hotel in the heart of Zurich is at any time open for anyone. Despite attentive service our hotel guests feel free, at ease and at home. They meet young people of the City of Zurich in the Carlton Pub and personalities of the Zurich cultural life in the exclusive restaurant Locanda. Always—2nd without restraint.

CARLTON ELITE HOTEL
Bahnhofstr. 41, 8001 Zurich, Tel. 01 211 65 60, Telex 52781

SAVE ££'S ON YOUR NEXT VISIT TO LONDON

Please send me free of charge and without obligation illustrated brochure, tariff and details of prize competition. £300 must be won.

Cut out coupon—Please use block letters

NAME IN FULL

ADDRESS

NO. OF PERSONS LENGTH OF STAY

GIVE MONTH OF ARRIVAL

ALEXA HOTEL (F.T.)
71-75 Lexham Gardens, London W8 6JL
Tel. 01-373 7272

WRECON HEADINGS Farm cottage in 222 acres, Warr, friendly, with beautiful scenery. Tel: 01-210 9120 p.w.

MAJORELLA HOUSE HOTEL, St. Mawes, Cornwall. Far good food and friendly service. **A.A.R.C. Reservations Tel: St. Mawes 392.

CLASSIFIED ADVERTISEMENT RATES

Commercial & Industrial Property	5.30	15.00
Residential Property	2.30	9.50
Appointments	5.30	18.00
Business & Investment Opportunities		
Corporate Loans		
Production Capacity		
Businesses for Sale/Wanted	6.25	18.00
Education, Motoring, Contacts & Tenders, Personal, Gardening	5.00	15.00
Hotels and Travel	3.00	12.00
Book Publishers		8.00
Premium positions available (Minimum size 40 column cms.)	£1.50	per single column cm. extra

For further details write to: Classified Advertisement Manager, Financial Times, 10, Cannon Street, EC4A 3BY

HOLIDAY ACCOMMODATION

VILLA HOLIDAYS
1 week rentals available now:

Dordogne	from	Adriatic	from
Provence	£56	Algeria	£75
Costa d'Azur	£75	Mallorca	£75
Tuscany	£69	Tunisia	£74
Tuscany	£49		

Please write or phone now for our 1979 colour brochure of villa and apartment holidays.

BRAYDAYN LTD.
25, Gilbert St., London W1Y 1BC. 01-428 0202

CONYNGHAM 5-Star Self-Catering
MR. LOOK & POLPERO, Easter, self-catering, country cottage, mini cottage for 2, and 18th century barn converted into the most delightful holiday holiday cottages to sleep 2, 3 or 6 persons. Each one is individually designed and superbly furnished throughout to give you the utmost comfort and luxury. Now reputed to be the most luxurious self-catering holiday holiday cottages in the South West. A.A. listed. Set in picturesque valley 10 miles from the sea. Private school. Apply Colwyn Beach, Hawke, Woodway Farm, Herodsfoot, Larkrise, Tel: Larkrise 221 (050322).

MAJORELLA, Nr. Palma, Apartment, own pool, garden, beach, 4-8 people, ideal children. Rents from £75 p.w. Also flights to Palma. Mallorca Holiday Rentals. Tel: 01-248 2543.

FURNISHED HOLIDAY COTTAGES, Devon! Cornwall borders. Scenic coastal, ideal centre. Garden, North Cornish coast. Fishing. Three bedrooms. (0537) 356.

TRAVEL

COSTA SMERALDA SARDINIA
AVAILABILITY JUNE, JULY AND AUGUST:
Luxury villa for 6, 20 sea view, beach, pool, etc. (May 31-June 14, Aug. 5-Sept. 2).
Secluded villa for 8 with 5 acres garden in modern version of a traditional island farmhouse, surrounded by olive trees (Jun 18-Jul 5).
Comfortable apartment for 4, overlooking Corva Marina, Garden/terrace (June, July, Aug.).
Prices per person for 2 weeks incl. flight and car from £222 (opt.) and £242 (both villas).
Brochure from:
Costa Smeralda Holidays Ltd., 70 Old Brompton Rd., London, SW7 0JF. 493 8203, 01-581 2387. 24-hr answering - ATDL 10138

GREECE
The specialists in villa holidays on Corfu and Crete still have plenty of availability this summer. Areas away from hotels, noise and "clutter" - villas with pool or beach, our specialty. Ask your tour 102 villas, for couples or families, ranging from the small and simple to large and luxurious. All villas, all areas. Prices include direct day flight, maid from Getwick or Manchester. Costs service available.

Brochure:
CORFU VILLAS LTD.
43 Cheviot Place, London, SW7 0JF 081 0851 (888 0132 - 24 hours)

* **WATERLOO AND ALL THAT** *
* - Jill Trivedi *
* For a copy of this charming and *
* our speciality. Ask your tour 102 *
* Brochure together with our brochure *
* on individual inclusive holidays. *
* write or phone. *
* TIME OFF to Chester Class. *
* London SW1X 7BG. 01-235 8870 *

U.S.A.—VINTAGE CAR-ENTHUSIAST'S HOLIDAY
Visit the West Coast of America. A 17-day tour, includes air fare and twin-room accommodations. See HAWAII, SAN FRANCISCO and the BRIGGS CUNNINGHAM AUTO-MOTIVE Museum. October-September 14th (incl 20/77). October 19th (incl 20/78).
Write for brochure: Group Dept. FT, Jane Brinkley Travel Ltd., 64 High Street, Surrey, Tel. 886471. £2672. ATOL 11618C.

SPRING IN SARDINIA SPECIAL OFFERS
HOTEL CONCHIGLIA
One week full board, swimming pool, on May 13. £160.
CALA LIPO (STINTINO)
Two weeks self catering, swimming pool, May 18. £116.
Fights from Getwick
Free colour brochure
Magic of Sardinia
Dept. 47, Shepherds Bush Green, London W12 8PS.
Tel 01-749-2283
ATA ATOL 104620

SEA TRAVEL CENTRE
* SOUTH AFRICA BY SEA, leaving Leura south 30 Nov., 27 Dec. from Southampton.
* **AROUND THE WORLD CRUISES** in January 1980, 100 days, four superb cruises to the world's most beautiful ports.
* **CARIBBEAN CALYPSO CRUISES** 14 days with Royal Caribbean Lines and Holland America Lines.
Please call or write to:
Keith Barrie at
WAKEFIELD FORTUNE
55 Wakefield Road, SW1
Tel. 01-430 4652

Gateway with GPT
Swiss City Tours
Fly to the Swiss Cities with GPT the No. 1 operator for Switzerland. Our prices are the best and you can be assured of absolute reliability when you book with us. Prices from Geneva £25 Bank, £50 Zurich, £55 Bern, £58.
Departures from Getwick, Hastings, Swindon and Manchester. Full details in our brochure.
Camford Ferry Travel Ltd
Tel: 01-561 2191/6-ATA ATOL 3088

MARRELLA, Weekly high holiday home from £99 pp. Tom Hill, Hastings, Tel: 0748 25611.
CHINA THROUGH THE CHINA at the heart of a colourful and historic land. Small family holiday offering 13 days, 10 nights, 10 days, 10 nights, 10 days, 10 nights. 14th (incl 20/77). 14th (incl 20/78).
Write for brochure: Group Dept. FT, Jane Brinkley Travel Ltd., 64 High Street, Surrey, Tel. 886471. £2672. ATOL 11618C.

EDUCATIONAL

ALL YOU NEED IS FRENCH
CERAN teaches FRENCH ONLY. It means a total immersion in the French language. French should no longer be a barrier in the development of new business relations in French-speaking countries. Intensive - specialised and tailor-made private courses for all levels - individuals and groups - latest audio-visual and language laboratory techniques. Excellent surroundings - residential institute.
For further details, please contact:
CERAN - Cour's International de Francaise, 18 Avenue du château, B. 4800 - SPA - Belgium - Tel: 07 77 22 09

PUBLIC NOTICE

CITY OF LEEDS
Bills totalling £2.3 million were issued 4th May 1979. Due to mature 3rd April 1979. At an average price of 11.39-84% accepted for £7,000,000. No other bills are outstanding.

HAMPSHIRE COUNTY COUNCIL
£10m bills, issued 4.5.79, maturing 1.6.79, at 11%. Total applications £21m. Bills outstanding £35.5m.

LEARN GERMAN IN GERMANY! Free, 6-week intensive course during the holiday period. High class, best prices. Wilmshurst, Wilmshurst, 12/14 D-9000 HILDELSHEIM, GERMANY.

LANGHAM SECRETARIAL COLLEGE (by year diploma courses, including law, accountancy, secretarial, modern equipment, hotel, travel, etc.) 18, Darnley Street, London W1Y 5PE. Tel: 01-625 2904.



DO WE SERIOUSLY EXPECT YOU TO PAY £3,500 FOR A COLOUR TELEVISION?

Yes. After all, the Mitsubishi VS500 large screen is no ordinary colour television. It features a fifty inch screen that transforms ordinary television transmissions into a spectacular, cinema style image. Not to mention complete remote control - including colour and contrast. On-screen identification check for easy channel selection. 5 watt sound output from two powerful speakers. And, to complete the picture, a spherical aluminium coated screen for perfect viewing - even in normal room lighting. As demonstrated by this actual photograph of the Mitsubishi VS500 large screen in action. Mitsubishi have created the ultimate TV set. And who else would you expect to possess the advanced technology, the research facilities and the pioneering foresight to produce an innovation of this calibre? Or the reputation to back it - proven by our smaller sets over years of flawless reliability. In short, we feel that around £3,500.00 (R.R.P.) is a small price to pay for such a masterpiece - especially taking into account the commercial applications. Considering the luxury to which you're accustomed, could you seriously afford to live without it?



EX 11/15/50

BOOKS

Eye on Isherwood

BY C. P. SNOW

Christopher Isherwood: A Critical Biography by Brian Finney, Faber and Faber, £8.50, 336 pages

Mr. Isherwood has written, often and exhaustively, about his own books and his picture of himself. Very few writers have remained so interested in the myths they created in youth.

As a girl, Charlotte Brontë was an enthusiastic myth-maker, but she threw all that away when she grew up.

It is an honourable attempt, but nothing like a final word. Of course, it couldn't be. Critical biographies of writers still living are hound, at the best, to be sighting shots.

He has one important disqualification. Himself, he writes both awkwardly, which doesn't matter too much, and imprecisely, which does, especially when dealing with Isherwood, whose precise and subtle use of language is the major incontestable aspect of

his art. This deficiency of Finney's oughtn't to blind us to his merits, but it does jar on one throughout the book. Two examples out of many: "The only unpublished story in the canon, The Railway Accident, wasn't written by Upward until 1928."

To bring off what Isherwood does best, which is the drawing of what he calls dynamic portraits, Isherwood's language is beautifully adapted. It was a natural gift, and he has developed it with conscious skill.

This personal language, though, has its dangers. When it is not completely under control, it can slide into tiresome playfulness or the pseudo school giggling, more pre-adolescent than adolescent proper, which was a distasteful chorus-noise of his whole circle.

He has one important disqualification. Himself, he writes both awkwardly, which doesn't matter too much, and imprecisely, which does, especially when dealing with Isherwood, whose precise and subtle use of language is the major incontestable aspect of

which both his style and his temperament sloganously unfitted him. Time and time again he started off with gigantic concepts, more suited to Tolstoy than to himself.

It may have been a pity that he can into so many impressive charlatans in California. He had his own delicate intuitions, but he didn't pretend to be an intellectual.

But there was a deeper reason why Isherwood's earlier books showed his talent at its finest — Mr. Norris Changes Trains. Goodbye to Berlin, Proter Violet. The reason is a singular one: it sounds perverse, but the talent suffered when the climate of society became more permissive. That is, the time came when he could write with maxi-

mum openness about homosexuality. He wanted to. He did. It did his art much harm.

A lot of us have come to accept Mrs. Patrick Campbell's brazen dictum, that she didn't mind what others did (in bed) so long as they didn't frighten the horses.

It has been an odd manifestation — that writers of talent and usually amiable character should make such a fuss about themselves. Nevertheless, Forster, Ackroyd, Driver, and recently Isherwood, have all been impelled to do so.

It sounds perverse, but the talent suffered when the climate of society became more permissive. That is, the time came when he could write with maxi-



Isherwood: perils of freedom

others, if they had been writing in our time. They wouldn't have been so willing to regard literature as just the public relations department of gay lib.

effects in the fluid, elusive Herr Issyov. When he was set loose, he could write Christopher and his kind. The comparison is depressing. However, he has left three or four books which will last well into the next century.

End of a tyrant

BY GEORGE MALCOLM THOMSON

The Berlin Bunker by James P. O'Donnell, Dent, £6.95, 317 pages

To Kill Hitler by Herbert Molloy Mason, Michael Joseph, £6.95, 303 pages

First of all, any idea that the infamous Martin Bormann is alive and well and living in Paraguay can be forgotten. In an attempt to break out from Hitler's Bunker, he and SS Colonel Stumpfeffer died on a bridge that passes over the main trunk railway lines into the Lehrter railway station.

Twenty-seven years later, workers uncovered two skeletons within a few feet of the site of the bridge. One was very tall (Stumpfeffer was 6 ft 6 in), the other short. Splinters of glass cyanide capsules were found in their jaws.

He was one of the inmates of the Bunker during the final macabre phase of which O'Donnell gives an engrossing record. The main lines of the story have been clear ever since Trevor-Roper's classic The Last Days of Hitler, but O'Donnell, tirelessly searching and diligently piecing together, has produced an account, containing some things that are surprising and a great deal that is fresh.

Is there any cheerful note in this ghastly story? For me, it is provided by the little baker in the last headquarters of a once mighty empire. Its switchboard was inadequate; its operator not a professional. The result was that Hitler, in the last days of his life, received his world news round-up from BBC broadcasts!

It is impossible not to feel compassion for most of the Bunker's inhabitants: they paid a terrible price for their surrender to Hitler's fatal charisma. But it is hard to extend pity to the high Nazi functionaries, a vicious gang of criminals worthy of their leader. As horrific as the Bunker story is the account of the terrible vengeance meted out by Hitler to the conspirators who failed to kill him at Rastenburg in 1944.

Herbert Molloy Mason tells the story of the various abortive assassination attempts on Hitler's unaccustomed instinct for survival. Much of the story has been told before but Mason has written a narrative of grisly fascination.

Col. Yonatan Natanyahu — Yoni — was only 30 when he was killed leading Israel's strike force to free the hostages of an Air France Airbus from terrorists at Entebbe Airport on July 3, 1976.

In her unassuming way she claims that her chief asset is merely a good memory. Her downfall, she says, is an inability to pursue a single course of action due to the distractions she encounters along the way, which invariably sends her off on a tangent. It is this asset and this susceptibility which have helped her, for example, to the Mastermind Chair.

For the first time Mrs. Jane Ewart Biggs is to be one of the judges for her husband's memorial prize, Christopher Ewart-Biggs, British Ambassador to Ireland, was assassinated in 1976.

It will certainly bring her more money. In an affidavit filed with the Supreme Court of Ontario in the Paddington Press vs. Henry Champ case, the Daily Express revealed it had invested \$100,000 in its serialisation of the book.

As Maclean's Canada's answer to Time magazine wrote: "If any of these figures is accurate, it is enough to conclude that by turning his back on a prime minister and thumbing her nose at Canadian political life, a 30-year-old woman whose intelligence, stability and charm have all become a matter of public debate is having infinitely more impact than she would have had, had she stuck around to pour tea."

Fiction

Sparkish stuff

BY ISABEL QUIGLY

Territorial Rights by Muriel Spark, Macmillan, £8.95, 240 pages

Southern Cross by Terry Coleman, Hutchinson, £5.95, 448 pages

Night Tennis by Annabel Davis-Goff, Hutchinson, £5.50, 286 pages

Venice, aqueous looking-glass-land in which reality slumbers and changes like the changing light, is a suitable setting for Muriel Spark's translation of the world of the imagination and for the behaviour of her people, engulphed preoccupied with things nefarious. Below

the waterline all sorts of things may lurk, and Mrs. Spark skims over them, stealthily as a gondola, fast as a vaporetto. The scenery as she passes is delightful, grey and pink, ochre and golden, into a serene, theatrical, small-scale, a meadow and a treat. Best to stay in England listening for the telephone, like Anthea, whose headmaster husband is in Venice with the school cookery teacher, pursued by the school matron, or to become involved, like her son Robert, in things on a larger scale. "I'm a talent scout," someone says to him. "You two have got something. You've got style. You can make the top." As a result of this meeting, Mrs. Spark tells us,

"Robert and Anoa were sent to the Middle East to train in a terrorist camp." The lunacy of modern life gives her plenty of scope for such laconic remarks: defectors, dismembered bodies, intellectual spy-rings all operate with the antics of a circus and innocents let loose from school. It is the quality of this imagination that makes for the quality of this novel — of any Spark novel: the peculiar Sparkishness, inimitable, chilling, controlled. Every phrase has the stamp of originality, of a particular mind, and this is what sets the writing apart: not so much its quality (which is, on the whole, high in this one) as its tidiness, its uniqueness. I say this to contrast it with the other two novels I have to review, both very good of their kind but inimitable, recognisable, in a genre and a tradition. Throughout Territorial Rights Anthea reads a novel at bedtime, and a paragraph or two of it rounds off a chapter here and there. It is scarcely parody: I read several just like it each year: the flat-reality novel of domestic doings. How different, how very different, from the homely life of Mrs. Spark's Venice! But the opalescence she achieves there is Sparkish, rather than specifically Venetian.



Muriel Spark: Venetian glass

all she stands for, as his father sees his origins as a convict. Billie, the Boaty, a peppy but godhearted mad sepper, to govern the new colony, is one of Susannah's friends. Much of the story is fascinating as plain fact, but its literary quality takes it out of the class of mere documentary. Night Tennis is a first novel of extraordinary smoothness and accomplishment, the greatest fun to read and full of solid bits of sudsy documentary stuff on film-making, between Hollywood and London and seems to get the best of both worlds, being knowledgeable about both and suggesting, through its heroic, insouciance while living in Hollywood, and outsiders in a film-director, just starting on her first film: her husband a fairly big wheel in Hollywood. Just before her forty-third birthday she meets and falls swooningly for a beautiful, upper-class English and highly promiscuous.

Their affair is described with a good deal of tenderness, some irony and on the whole a fair grip on reality. The moral seems to be that such a man works away from home but once you get back they don't. Since home is Hollywood there's a nice irony in the fact that it spells, not glamour and high living, like London, but domesticity and family ties. The pains and commitments and pleasures of work, the importance of professionalism and achievements are shown beside the ravages made by feeling; and the everyday qualities of family life beside the piercing beauty and mysteriousness of the boy Nick. An excellent mainstream beginning.

Pin-up people

BY RACHEL BILLINGTON

Sophia, Living and Loving. Her Own Story by A. E. Hotchner, Michael Joseph, £5.95, 216 pages

Mommie Dearest by Christina Crawford, Granada Publishing, £5.95, 282 pages

Books about film stars have an obvious market value. Whether they offer more depends on how far the author dares to draw aside the glittering veil of a famous name and examine the feet of clay beneath. Since the name of Sophia, the story of Sophia Loren, alias Sofia Scicolone, has two advantages. First, it is written by a competent self-exposed "ghost" who has had the good idea of inserting paragraphs of commentary by people other than his heroine, Sister, aunt, husband all enter at appropriate moments, breaking the inevitable monotony. Second, our star, though reaching peaks as high as any, started from a low so dramatic that for her most searing film, Trovandomi, she was able to draw from her own experience. In brief, she survived a fatherless, poverty-stricken childhood in the small seaside town of Pozzuoli, a gruesome war-time in Naples, and then a further five years in Pozzuoli when if possible her beloved family were even more destitute. One of Hotchner's best finds is an entry in a G.I.'s diary who visited the Scicolones at this time for a social afternoon. Later this G.I. arranged for a shrapnel scar to be removed from Sophia's chin by the American army doctor — despite noting that her mother had all the good looks.

This gets the hook up to an interesting start and the momentum carries through Sophia's early film-obsessed Rome and to her meeting with Carlo Ponti at the age of 18. Once stardom is achieved, time-dropping takes over, despite all Hotchner's efforts. Theo here's little left to say except that Miss Loren seems a nice hard-working, home-loving woman; who fought valiantly to get the husband her mother never managed and in give birth to two much wanted sons.

After all, we have the evidence of Miss Loren's life to prove that Beauty doesn't have to be a Beast.

After all, we have the evidence of Miss Loren's life to prove that Beauty doesn't have to be a Beast.

After all, we have the evidence of Miss Loren's life to prove that Beauty doesn't have to be a Beast.

After all, we have the evidence of Miss Loren's life to prove that Beauty doesn't have to be a Beast.

After all, we have the evidence of Miss Loren's life to prove that Beauty doesn't have to be a Beast.

After all, we have the evidence of Miss Loren's life to prove that Beauty doesn't have to be a Beast.

After all, we have the evidence of Miss Loren's life to prove that Beauty doesn't have to be a Beast.

Biggs Prize

BY COLLEEN TOOMEY

For the first time Mrs. Jane Ewart Biggs is to be one of the judges for her husband's memorial prize, Christopher Ewart-Biggs, British Ambassador to Ireland, was assassinated in 1976. The annual £1,500 literary award goes to a book which best promotes his ideals for peace in Ireland and European co-operation.

In short

The Bunker's Daughter — an autobiography by Irene Thomas, Macmillan, £5.95, 216 pages

Irene Thomas is a former "Brain of Britain" and much sought after nowadays on an impressive variety of BBC quiz programmes. Her mind is a storehouse containing "useless bits of information" which have been garnered throughout a strenuous and diverse career.

In her unassuming way she claims that her chief asset is merely a good memory. Her downfall, she says, is an inability to pursue a single course of action due to the distractions she encounters along the way, which invariably sends her off on a tangent. It is this asset and this susceptibility which have helped her, for example, to the Mastermind Chair.

It has not always been so: for three years she was a member of the Covent Garden chorus and her description produces an evocative picture of backstage atmosphere and melodrama and of first-night excitement. Here the self-discipline involved in her from her high-principled Cockney father was an army bandsman in the King's Royal Rifles, the Old 60th) upbringing stood her in good stead for the arduous work involved.

Irene Thomas's natural style

Irene Thomas's natural style

Irene Thomas's natural style

Irene Thomas's natural style

Irene Thomas's natural style

Irene Thomas's natural style

Irene Thomas's natural style

Irene Thomas's natural style

Irene Thomas's natural style

BOOKS OF THE MONTH

Vocational Rehabilitation of the Mentally Restored. This practical handbook outlines basic principles for the vocational rehabilitation of those recovering from mental illness. It also describes services for the mentally restored in several European countries. ISBN 92-102046-0 £2.50 International Labour Office

Executive Health. Dr. David Carrick. Combining humour with instruction, as in his FT column, including subjects such as stress, coronary, sex, alcoholism and retirement, the author provides a valuable, readable guide for executives. Available from booksellers. ISBN 083832796 £4.95 Bay Books

An Integrated System of Wages Statistics: A Manual on Methods. Discusses principal uses of labour statistics, concepts and definitions, and describes current and non-current wages statistics programmes. Includes practical guidance for conducting surveys with model questionnaires and illustrative tables. ISBN 92-102019-3 (hard cover) £11.25 ISBN 92-102007-X (ilimp cover) £7.75 International Labour Office

Women in Rural Development. The People's Republic of China. By Elisabeth E. Crall. Follows the main changes affecting rural women in China. Describes the entry of women into social production, the division of labour and constraints influencing their full participation in non-domestic production. ISBN 92-102054-1 £3.50 International Labour Office

Guide to Health and Hygiene in Agricultural Work. This important new ILO Guide for the prevention of occupational accidents and diseases provides a wide spectrum of practical information on agricultural health hazards and their prevention.

Modern Managerial Finance. J. R. Franks and J. E. Brayles. This is a really up to date book on financial management for the student and executive and is based on the authors' teaching experience. John Wiley & Sons. Cloth £13.75/£2.50 Paper £8.50/£1.00

The Lesson of Wage and Price Control: The Food Sector. Management Accounting for the Lending Banker. M. A. Pitcher. A senior bank manager explains some modern techniques of assessing the financial health of companies and shows, in this very practical book, how these can help to achieve sound business management. The Institute of Bankers. Cloth £6.75, plus 50p by post. Paperback: £4.50, plus 50p by post

The Europa Year Book 1979: A World Survey. The 1979 edition of this two-volume reference book contains more than 3,500 pages of facts and figures on every country in the world. Europa Publications Ltd.

The Lesson of Wage and Price Control: The Food Sector. Management Accounting for the Lending Banker. M. A. Pitcher. A senior bank manager explains some modern techniques of assessing the financial health of companies and shows, in this very practical book, how these can help to achieve sound business management. The Institute of Bankers. Cloth £6.75, plus 50p by post. Paperback: £4.50, plus 50p by post

The Lesson of Wage and Price Control: The Food Sector. Management Accounting for the Lending Banker. M. A. Pitcher. A senior bank manager explains some modern techniques of assessing the financial health of companies and shows, in this very practical book, how these can help to achieve sound business management. The Institute of Bankers. Cloth £6.75, plus 50p by post. Paperback: £4.50, plus 50p by post

The Lesson of Wage and Price Control: The Food Sector. Management Accounting for the Lending Banker. M. A. Pitcher. A senior bank manager explains some modern techniques of assessing the financial health of companies and shows, in this very practical book, how these can help to achieve sound business management. The Institute of Bankers. Cloth £6.75, plus 50p by post. Paperback: £4.50, plus 50p by post

The Lesson of Wage and Price Control: The Food Sector. Management Accounting for the Lending Banker. M. A. Pitcher. A senior bank manager explains some modern techniques of assessing the financial health of companies and shows, in this very practical book, how these can help to achieve sound business management. The Institute of Bankers. Cloth £6.75, plus 50p by post. Paperback: £4.50, plus 50p by post

The Lesson of Wage and Price Control: The Food Sector. Management Accounting for the Lending Banker. M. A. Pitcher. A senior bank manager explains some modern techniques of assessing the financial health of companies and shows, in this very practical book, how these can help to achieve sound business management. The Institute of Bankers. Cloth £6.75, plus 50p by post. Paperback: £4.50, plus 50p by post

Caesar's wife in Canada

BY COLLEEN TOOMEY

Beyond Reason by Margaret Trudeau, Paddington Press, £5.50, 256 pages

"The woman who gave freedom a bad name" as Margaret Trudeau is known in some circles has let all hell loose again. Most probably in the same, naive-looking way as she has approached life in the past eight years beginning at the age of 23 when she married the Prime Minister of Canada. Her candid account of life with Pierre Trudeau has now been published in Britain — but not before unleashing it on the Canadians and Mr. Trudeau

himself who has been fighting one of the most important political campaigns of his life.

But Mrs. Trudeau has never been one to hold back as her book well shows. (The title is hers, because, she was quoted as saying "that's what they say everything I do is, don't they?")

In her 30 years she has devised more roles for herself than many of us will experience — or ever want to for that matter. Flower child, Prime Minister's wife, jet-setter and photographer, film star, jet-setter and now author. Beyond Reason may bring her as much publicity as all her past exploits combined.

It will certainly bring her more money. In an affidavit filed with the Supreme Court of Ontario in the Paddington Press vs. Henry Champ case, the Daily Express revealed it had invested \$100,000 in its serialisation of the book. It is said that Margaret Trudeau stands to make over \$500,000 from the profits of the book — not her husband's \$37,000 after-tax salary a year.

As Maclean's Canada's answer to Time magazine wrote: "If any of these figures is accurate, it is enough to conclude that by turning his back on a prime minister and thumbing her nose at Canadian political life, a 30-year-old woman whose intelligence, stability and charm have all become a matter of public debate is having infinitely more impact than she would have had, had she stuck around to pour tea."

William Blake Trust

THE TRIANON PRESS. BLAKE'S ILLUSTRATIONS OF DANTE

18 grand luxe "Collectors' copies numbered J-XVIII; small oblong folio half morocco in a matching case, with material showing the states of the making of the facsimile. With an extra set of the plates, suitable for framing, and one modern restrike from the original copper-plate. £775

Distributed by MAGGS BROS. Ltd., Antiquarian Booksellers, 50 Berkeley Square, London W1X 6EL.

150 من الأصل

Handwritten scribble at the top of the page.

AUTHORISED UNIT TRUSTS

Table of authorized unit trusts including Abbey Unit Tr. Mgrs. (a), Friends' Provid. Unit Tr. Mgrs. (a), and others. Columns include fund names, dates, and performance metrics.

Table of fund managers and their associated funds, including Prud. Portfolio Mgrs. Ltd., Quilter Management Co. Ltd., and others.

Table of fund managers and their associated funds, including Target Tr. Mgrs. (Scotland) (a), and others.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including Kemp-Coo Management, Jersey Ltd., and others. Columns include fund names, dates, and performance metrics.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including Abbey Life Assurance Co. Ltd., and others. Columns include company names, dates, and performance metrics.

NOTES: Price does not include 5 p.m. premium, except where indicated, and are in pence unless otherwise indicated.

FOOD, GROCERIES—Cont.

Table listing various food and grocery items with columns for stock, price, and change.

HOTELS AND CATERERS

Table listing hotels and caterers with columns for stock, price, and change.

INDUSTRIALS (Misc.)

Large table listing various industrial companies with columns for stock, price, and change.

FT SHARE INFORMATION SERVICE

ENGINEERING—Continued

Table listing engineering companies with columns for stock, price, and change.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies with columns for stock, price, and change.

BANKS & HP—Continued

Table listing banks and hire purchase companies with columns for stock, price, and change.

BONDS & RAILS—Cont.

Table listing bonds and rail companies with columns for stock, price, and change.

Schlesingers logo and text: '£1 for 78p? Schlesingers' current recommendation on value-vested Trust Units...

BRITISH FUNDS

Table listing various British funds with columns for stock, price, and change.

INTERNATIONAL BANK

Table listing international banks with columns for stock, price, and change.

CORPORATION LOANS

Table listing corporation loans with columns for stock, price, and change.

COMMONWEALTH & AFRICAN LOANS

Table listing commonwealth and African loans with columns for stock, price, and change.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rails with columns for stock, price, and change.

FINANCIAL TIMES

Head Office: The Financial Times Limited, Bracken House, 10, Cannon Street, London EC4A 3DF. Tel: 01-573 7600.

EDITORIAL OFFICES

Amsterdam: P.O. Box 100, Amsterdam-C. Tel: 020-624 222. London: 10, Cannon Street, London EC4A 3DF.

AMERICANS

Table listing American companies with columns for stock, price, and change.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies with columns for stock, price, and change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies with columns for stock, price, and change.

CANADIANS

Table listing Canadian companies with columns for stock, price, and change.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies with columns for stock, price, and change.

DRAPERY AND STORES

Table listing drapery and store companies with columns for stock, price, and change.

ELECTRICAL AND RADIO

Table listing electrical and radio companies with columns for stock, price, and change.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for stock, price, and change.

ENGINEERING MACHINE TOOLS

Table listing engineering machine tool companies with columns for stock, price, and change.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other items with columns for stock, price, and change.

Handwritten scribble at the top of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, change, and volume.

INSURANCE—Continued

Table of insurance companies such as Royal Indemnity, Commercial Union, and others, listing their stock prices and market movements.

PROPERTY—Continued

Table of property-related stocks and investment trusts, including various real estate and infrastructure funds.

INVESTMENT TRUSTS—Cont.

Continuation of investment trusts table, listing various trusts and their performance metrics.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, insurance companies, and land investment trusts.

BRITANNIA INVESTMENT MANAGEMENT advertisement featuring a portrait of a man and text describing their services.

MINES—Continued

Table of mining stocks, including companies like Anglo American, De Beers, and others.

AUSTRALIAN

Table of Australian stocks, listing various companies and their market data.

TINS

Table of tin-related stocks and commodities.

COPPER

Table of copper-related stocks and commodities.

MISCELLANEOUS

Table of miscellaneous stocks and commodities.

GOLDS EX-\$ PREMIUM

Table of gold-related stocks and commodities.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL MARKETS

Table of regional market data, including stock prices from various international locations.

OPTIONS

Table of options market data, including call and put option prices.

DIAMOND AND PLATINUM

Table of diamond and platinum market data.

CENTRAL AFRICAN

Table of Central African market data.

LET THE GIN BE HIGH & DRY!

Really Dry Gin



FINANCIAL TIMES

Saturday May 5 1979

Bain Dawes A worldwide insurance broking service

WOMAN OF THE WEEK

Change of direction

BY ELINOR GOODMAN

MRS. MARGARET THATCHER'S main claim to fame in the history books will almost certainly be as the first woman to become leader of a Western country.

It certainly must have been when she was working her way up through a Conservative party, still dominated by men and with a residual tendency to operate like a gentlemen's club.



Mrs. Margaret Thatcher Essentially a meritocrat

Her colleagues did not all find the transition so easy and some are still uncertain how to react to a female leader who, though happy to listen to other people's opinions, tends to lecture her fellow MPs in the manner of an understanding, but firm, headmistress.

A self-described "conviction politician", Mrs. Thatcher is essentially a meritocrat. From what were—by the standards of Tory politicians—relatively humble beginnings, her parents encouraged her to "climb the ladder" from a local elementary school in Cranham to Somerville College, Oxford, to become a research chemist, a tax lawyer, and now, of course, Prime Minister.

She believes passionately that people will, given the opportunity and incentive, work harder. She also seems genuinely convinced that within the country lie considerable reserves of talent waiting to be liberated by her kind of policies.

Not everybody, she admits in another of her favourite phrases is capable of "kicking the ball if you put it at their feet," and they have to be helped. But again and again she has repeated that it is the politician's task to provide the individual with "freedom under the law" and the incentive to work harder.

Her personal views on state intervention and market forces in general are closer to Sir Keith Joseph than to some of her other colleagues. And, as a small shopkeeper's daughter, she apparently sees no contradiction between wanting small shops to prosper and compelling the Tescos of this world on their contribution to competition.

Council gains for Labour

BY PAUL TAYLOR

LABOUR'S last hope of retaining a foothold in the machinery of central and local government was in the balance last night.

As the delayed counting in the local authority elections in England and Wales continued it remained uncertain whether Labour gains from the Conservatives would be enough to enable the party to snatch back control of the key Association of Metropolitan Authorities.

Labour needed to win back at least six of the big metropolitan district councils in England, lost to the Tories in 1975, to ensure overall control of the association, which plays a crucial role in negotiations with central government over local council spending.

In Tameside (Greater Manchester) and Coventry Labour gained control from the Tories. In Wetherhampton Labour won an uneasy control based on the casting vote of the next Labour mayor. Elsewhere, Labour majorities were increased.

Labour control of the association will depend on late results from areas such as Walsall and Sandwell—which they would need to win, and of the key votes of the Liberals in Liverpool, Leeds and Birmingham, where no party emerged with an overall majority.

The local elections took place in 333 district and 36 metropolitan district councils at the same time as the General Election. There were no local elections in Scotland or Greater London.

Labour was expected to make gains because the Tory lead over Labour was even greater when the last round of elections took place in 1975, 1976 and 1978.

Labour may find some consolation in the local results. The picture emerging last night was of an uneasy swing to the party, with Labour picking up slightly more council seats than expected.

A two-seat Tory majority into an 18-seat Labour one. The result probably reflected local feeling over the rebel authority's stand on comprehensive education.

In Liverpool the stalemate on the council continues, Labour remaining the largest party with 46 seats, Conservatives 23 and Liberals 30.

Even if Labour fails to win a clear majority of the metropolitan areas, it is possible that Labour will gain control of the Authorities' important education and policy committees.

There was never any chance that Labour would win control of the Association of District Councils, since before the latest

elections Labour held only 38 of the 333 district councils in England and Wales.

The district councils picked up by Labour included Darlington, Barrow-in-Furness and Grimsby. Labour gained control of Merthyr Tydfil after winning 14 seats from Plaid Cymru.

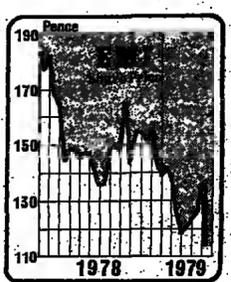
The final outcome of the local elections will not be known until later today, when the counts are completed.

On the basis of 120 comparable results recorded yesterday Labour gained 285 seats and lost 43, the Tories gained 70 and lost 209; Liberals gained 80 and lost 29; independents 36 and 73; others 13 and 51.

THE LEX COLUMN

EMI slips its discs

Index rose 5.1 to 558.6



EMI, a constituent of the FT 30-Share Index, jolted the stock market out of its victory celebrations yesterday morning.

For once, the bad news is not about the Scanner. EMI's flagship is the music business, which made profits of £16.5m before interest in the six months to December and was said at the beginning of March to be performing satisfactorily.

How did things get so bad so quickly? The warning lights have been flashing for some weeks since CBS, which has over a quarter of the U.S. records market, reported a profits downturn of 47 per cent in its first quarter.

The biggest long term worry is that the international record business is becoming increasingly dominated by U.S. music, and that EMI has a relatively small share—under 10 per cent—of the U.S. record market.

will probably be allowed to lapse. As a result company dividends could increase by around a fifth over the next year which is comfortably ahead of the inflation rate and will mean that the market's average yield will rise by roughly one percentage point to 5.7 per cent.

However, much of the benefit has probably already been discounted by share prices and over the next few months the prospect of sizeable rights issues, a slowdown in profit growth and labour troubles could upset sentiment.

Radical new Tory policies could have a profound effect on the economy and share prices over the longer term but even a Tory Chancellor flushed with electoral success will admit that it is impossible to turn the economy around on a sixpence.

The market may also be asked to give the new Chancellor the benefit of the doubt. It will be interesting to see whether a budget with an unpalatable high FRSR mitigated by a commitment to reduce borrowing sharply in 1980-81, or a budget in which all the tax cuts had to be financed by one-off-for-all sales of Government assets would try the fund managers' patience too far.

EMI warns of second-half losses

BY JAMES BARTHOLOMEW

MORE THAN £25m was wiped off the £152m stock market valuation of EMI, the leading leisure group, yesterday after the company warned of unexpected losses in the second half of this financial year.

Just as hopes were rising that the worst of the losses on EMI's revolutionary brain scanner might soon be ended, the company announced that the music division had run into trouble.

Sales volume has "fallen substantially below expectations" said the company, partly because of an industry-wide drop in sales and partly

because EMI has insufficient American recording stars. They dominate international pop music in the way that British stars did 10 years ago at the time of the Beatles.

EMI also claims to be having difficulty persuading the stars it has produced records regularly. Release of a number of "important" albums has been postponed beyond June, the end of the company's second half, for this reason.

Thirdly, the integration of United Artists Records, which EMI bought in February, is causing problems. "A certain amount of surgery was

needed," said Sir John Read, EMI chairman, yesterday. The newly-acquired company had suffered "a flood of return shipments," he said. Return shipments are records returned unsold by distributors.

The company announcement caught the stock market by surprise. In the last month at least two brokers have issued circulars recommending the shares. They ended at 114p, down 23p on the day, despite EMI's forecast that it would still be in profit for the year as a whole, after making £28m in the first half.

Sir John Read admitted yesterday that there had been demands for a strengthening of the top management and he hoped the appointment of Mr. Roger Brooke as managing director would go some way towards satisfying them.

The company has recently disposed of several assets to sustain its cash and borrowing positions; it sold the leasehold of the EMI Centre in Tottenham Court Road, London, for £33m to Prudential Assurance Company in February. Asked whether more disposals might be on the way, Sir John said: "This is naturally something we are looking at."

Rolls-Royce profit drops to £11.7m despite rise in sales

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE'S pre-tax profit in 1978, fell to £11.7m from the previous year's £30.3m, despite a rise in sales from £704m to £763m. The profit includes credits of £30.8m in respect of engine support costs incurred in previous years.

Sir Kenneth Keith, chairman of the state-owned aero-engine group, says in the annual report issued yesterday that 1978 was a record year for the company in generating new business.

Deals were negotiated which should be worth £2bn in the years ahead.

It was also a record year for exports, which accounts for 47 per cent of total sales (about £341m against £285m in 1977), making Rolls-Royce one of Britain's top ten exporters. The RB-211 engine now con-

stitutes Britain's biggest aerospace export programme. Sir Kenneth strikes a warning note about the need for higher productivity.

"The forward workload, to meet the commitments inherent in our surge of new orders, will call for considerably greater levels of productivity than we have ever achieved," he says.

Rolls-Royce believed in a high wage/high output economy, "always remembering that greater wealth must be created before it can be shared."

The company's future plans called for a considerable growth of its share of the expanding civil aero-engine market.

"Much of this growth will come, as it has in 1978, from the U.S., where 80 per cent of the world's civil aircraft are

made, and more than 50 per cent are operated." To tap the outstanding potential of the U.S. civil aero-engine and military market, the company planned to establish a new engineering and manufacturing facility in the U.S.

"This is an integral part of our strategy for growth which, as a direct result, will create more rather than less work for our British factories," Sir Kenneth says.

The accounts reveal that last year Rolls-Royce obtained additional working capital by issuing 7m new £1 shares to the National Enterprise Board.

The directors do not recommend a dividend. The net profit of £7.2m after tax and other items (£14.7m in 1977), is being retained.

Continued from Page 1 Thatcher

manifesto and to call for a drastic change of tack. Despite Mr. Callaghan's assurances, Labour is likely to form a far more aggressive Opposition than the Tories, and a key early move will be the membership of the new Shadow Cabinet, which is elected by Labour MPs rather than selected by the Leader.

Mr. Callaghan would give no indication of his future plans but it is believed he will try to engineer a situation in which Sir Denis Healey has the best chance of succeeding him if, as expected, he retires during the lifetime of the present Parliament.

There is no sign that Mr. Callaghan intends to retire in the immediate future. Mrs. Thatcher made it clear after her 45-minute visit to Buckingham Palace, when she was asked by the Queen to form a Government, that she was aware of the danger of the unseemly Tory election successes.

In a call for national unity she stressed that the Government would have to take into account the differing views expressed by the electorate. "Now that the election is over we must get together and strive to serve and strengthen the country of which we are so proud to be a part," she declared.

Her key Cabinet posts will probably go in most cases to the people specialising in the same subjects while in Opposition. It is regarded as virtually certain that Sir Geoffrey Howe will become Chancellor of the Exchequer and Mr. James Prior Employment Secretary, responsible for dealings with the trade unions.

An intriguing question mark still lies over the future of Mr. Edward Heath, the former party leader, who has campaigned magnificently and effectively for a Conservative Government. He is known to be anxious to return to a senior post in Government, but Mrs. Thatcher's decision on whether to offer him a post remains unknown.

The incoming Chancellor will set in hand immediate plans on drafting of a Budget to be presented to Parliament within the next five weeks.

Weather

UK TODAY WINTRY showers developing, some heavy and prolonged with hail. Snow over hills. London, S.E., S.W. and Cent. S. England, E. Midlands. Bright or sunny spells. Wintry showers developing. Max. 10C W. Midlands, N.W. England, E. and Cent. N. N.E. England, S.W. Scotland. Wintry showers, some heavy. Snow over hills. Max. 8C (46F).

Rest of Scotland, Ulster. Cloudy with snow showers. Sunny intervals. Max. 6C (41F). Outlook: Little change. Becoming warmer in the South-West.

Table with columns for location, Y'day, and Y'day midday. Locations include Ajaccio, Algiers, Amsterdam, Athens, Barcelona, Berlin, Birmingham, Blackburn, Blackpool, Bolton, Boulogne, Bristol, Bucharest, Budapest, Cagliari, Cairo, Cardiff, Catania, Cape Town, Chicago, Cologne, Constantinople, Dublin, Edinburgh, Frankfurt, Geneva, Gibraltar, Glasgow, Harbin, Helsinki, Hong Kong, Innsbruck, Jersey, Johannesburg, London, Lyons, Madrid, Manchester, Milan, Moscow, Newcastle, Nice, Ottawa, Paris, Perth, Prague, Rome, Santiago, Sao Paulo, Seville, Singapore, Sydney, Tangier, Tehran, Toronto, Tunis, Valencia, Warsaw, Zurich.

Marked rise in cost of Civil Service pensions

BY ERIC SHORT

CIVIL SERVANTS give up 2.6 per cent of their salaries to enjoy inflation-proofed pensions when they retire.

This is the current deduction calculated by Mr. Edward Johnston, the Government Actuary, as part of the pay review process for deciding Civil Service pay levels.

The Government Actuary's figures show that the cost of servicing Civil Service pensions has grown markedly since 1974 when the last review was made. At that time, civil servants gave up only 1.75 per cent of their salaries, a level which provoked severe criticism for being too low.

The Government Actuary has arrived at this figure by comparing the cost of the Civil Service pension benefits with those provided by similar pension schemes outside. The comparison is based on an average of 458 schemes, consisting of those in other public

services, nationalised industries and private companies. Although the Civil Service pension scheme is unfunded—pension payments are made directly from taxation—the calculations are on the basis that it is fully funded like occupational schemes. It is assumed that investments will yield 9 per cent a year over the long term, with salaries rising annually by 7 1/2 per cent on average and prices by 6 per cent.

The Civil Service scheme is fully index-linked to the Retail Price Index under the Pensions Increase Act, 1971, unlike company pension schemes where no legal guarantee applies. Over the last four or five years, however, most of the private schemes used in the comparison provided considerable protection against inflation. The Government Actuary has assumed that this trend will continue.

The Food Manufacturers' Federation which said that the pre-notification of price increases should be cancelled immediately if closing down the commission would take some time.

Conservative Party leaders were loth to commit themselves about the commission during the election campaign, but it is widely assumed that they would abolish it, maybe transferring some of its less controversial powers to the Office of Fair Trading.

Continued from Page 1 Industry seeks tax cuts

The Food Manufacturers' Federation which said that the pre-notification of price increases should be cancelled immediately if closing down the commission would take some time.

Conservative Party leaders were loth to commit themselves about the commission during the election campaign, but it is widely assumed that they would abolish it, maybe transferring some of its less controversial powers to the Office of Fair Trading.

Details CBI proposals for the Budget will be sent to the

new Chancellor within the next 10 days. This will update proposals sent to Mr. Denis Healey two months ago and will lay special emphasis on the need for cuts in personal taxation and for economies in public spending.

The CBI will say that there should be reduction in direct taxation in 1978-80 totalling at least £1bn to include a cut of at least 1p in the standard rate of income tax.

Overall, during the lifetime of the new Government, the CBI wants the basic income tax rate

cut from 33 per cent to 28 per cent and other changes including a restructuring of capital gains tax.

General Investors and Trustees, Limited

Extracts from the Report and Accounts and the Statement of the Chairman, Mr. R. H. Wethered.

Table with columns for 1979 and 1978. Rows include Total consolidated revenue, Consolidated net revenue before taxation, Earned on ordinary capital, Dividends on ordinary capital, Valuation of investments, Freehold property in Great Britain and Australia, Freehold land held for trading in Australia, Investments in Great Britain, Investments outside Great Britain, Net asset value per share, Revenue, Dividends, Assets, and Policy.

The Foreign and Colonial Investment Trust Co. Ltd. General Investors and Trustees Ltd. F. & C. Eurotrust Ltd. Century Fund S.A. The Cardinal Investment Trust Ltd. Alliance Investment Co., Ltd. F. & C. Anglo-Nippon Exempt Fund F. & C. North American Exempt Fund Foreign and National Investment Fund S.A. 1/2 Laurence Pountney Hill, London EC4R 0BA. Telephone No. 01-423 4630. Registered at the Post Office. Printed by St. Clement's Press for and published by The Financial Times Ltd., Bankers House, Cannon Street, London, EC4A 3DF. © The Financial Times Ltd. 1979.